FBIS DAILY REPORT

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HOUSE ARREST AGAINST FORMER PRESIDENT PERON LIFTED

PY241655 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1555 GMT 24 Dec 80

[Excerpts] Buenos Aires, 24 Dec (NA)--The national executive branch has decided "to lift the house arrest" ordered against President Maria Estela Martinez de Peron, but she will continue at her place of detention at the disposal of the federal justice and under the control of the federal penitentiary department, it officially was announced at the government house at noon today. The note delivered in the press room states:

"In compliance with the decision made by the military junta, the national executive branch has decided to lift the house arrest ordered by resolutions No 1 and 2 in accordance with article 2, clause E of the resolution regarding citizen Maria Estela Martinez de Peron (identification card No 2,764,727 federal police). This decision does not change the other measures ordered against Maria Estela Martinez de Peron in those resolutions. It has also been decided that Maria Estela Martinez de Peron will continue in her current place of detention at the disposal of the federal justice and under the control of the federal penitentiary department."

HERALD Report

PY270035 Buenos Aires HERALD in English 26 Dec 80 p 1

[Excerpts] (NA)--The military junta took what looked like the first steps toward freeing former President Maria Estela de Peron on Wednesday when it ordered her partially excluded from the institutional responsibility act of 1976, thus bringing to an end her indefinite detention at the disposition of the executive branch. Mrs Peron still remains under custody, however, awaiting trial on four different charges of official misconduct.

Nor does the measure, put into effect by the national executive on Wednesday, affect any of the other clauses of the institutional act as regards her loss of political and trade union rights.

Under Wednesday's order, Mrs Peron is still subject to all the sanctions included in the act except for her arrest at the disposal of the executive power. Under normal circumstances she would now be moved from her San Vicente country house to an ordinary prison, but the junta's resolution specified that she remain where she is. Nevertheless, once under the control of the federal prison authority, she should be able to have more visitors and contact with the outside world than before. Up to now she had been held incommunicado.

According to her lawyer, Julio Arriola, Mrs Peron's almost 5 years of detention is sufficient to make her eligible for parole or even unconditional liberty if the courts find her guilty of the charges against her. Two of the trial judges, Norberto Giletta and Pedro Narvaiz, however, earlier denied a request for her release saying that her total possible sentence may be so long as to not permit her being paroled at this time. Meanwhile in government and military circles, it is rumoured that Mrs Peron will receive an executive pardon if she is found guilty and the sentence exceeds the amount of time she has been detained.

RELEASE OF SOME POLITICAL PRISONERS AUTHORIZED

PY231307 Paris AFP in Spanish 2257 GMT 22 Dec 80

[Excerpt] Buenos Aires, 22 Dec (AFP)--An Argentine Interior Ministry spokesman reported here today that since 10 November a total of 40 persons, among them a former provincial governor, have stopped "being at the disposal of the executive branch," that is without right of trial in view of the state of siege law that is in force in Argentina. The spokesman added that during the same period, a total of 41 persons have been released and are now on parole. Moreover, the Argentine Government has ordered four detainees to leave the country and it has expelled two foreigners.

DEPUTY FOREIGN MINISTER SUBMITS RESIGNATION

PY222332 Paris AFP in Spanish 2259 GMT 22 Dec 80

[Text] La Paz, 22 Dec (AFP)--Official sources have reported that Marcelo Ostria Trigo, Bolivian deputy foreign minister, today submitted his irrevocable resignation. This is viewed as the first serious schism to take place within Gen Luis Gracia Meza's government.

Ostria Trigo was under secretary of foreign relations during Gen Hugo Banzer Suarez' 7-year administration, during which he defended the thesis of territorial excahnge with Chile as a means of giving Bolivia an outlet on the Pacific Ocean. Journalists look upon Ostria Trigo as the strongman of the Foreign Ministry because his points of view were decisive in the handling of Bolivia's foreign affairs.

It also was reported that international affairs expert Federico Jofre, who is believed to be involved in one of the factions of the National Revolutionary Movement (MNR), will take over the vacancy left by Ostria Trigo.

GOVERNMENT PROMOTES NATUSCH BUSCH, OTHERS

PY291218 Buenos Aires LATIN in Spanish 1621 GMT 29 Dec 80

[Text] La Paz, 29 Dec (LATIN)--Press sources reported today that the Bolivian military government has promoted 14 members of the army and the air force and 2 members of the navy to the rank of general.

Among the military chiefs who have been promoted is Col Alberto Natusch Busch who briefly held the presidential chair (for 17 days) after he led a coup on 1 November 1979 to oust former President Walter Guevara Arce. Brig Gen Aden Castillo Galarza, the present chairman of the joint staff, and Brig Gen Jorge Aguila Teran, the chairman of the army general staff, have been promoted to major general. The promotions were ordered through a decree signed by President Luis Garcia Meza and the Bolivian cabinet.

NATIONAL COMMISSION FOR COCA CONTROL CREATED

PY270201 La Paz Radio Illimani Network in Spanish 0100 GMT 27 Dec 80

[Text] A government decree has ordered the creation of a national commission that will undertake the planning of the control of the production, harvest, exploitation and commercialization of coca.

This commission will be headed by the planning and coordination minister and it will include representatives from the interior and agriculture, livestock and campesino affairs ministries, the national police, the narcotics office and from the legal department of the Planning Ministry. The commission's specific functions will be planning the control of production, harvesting, exploitation and commercialization of the total production of coca and channeling it toward pharmaceutical markets. It also will plan the production of coca throughout the country and it will seek the means to substitute for its production other items that give the same or higher profits. It also will plan the erradication of the production of drugs and formulate the policy that will guide the narcotics office.

According to the decree, the commission can request, without any type of limitation, the services of employees of the public or private sector to carry out its functions. The state organizations that to date have been carrying out the task of controlling the production, harvesting, exploitation and commercialization of coca will submit an overall report to the commission within 30 days outlining their activities. The Planning Ministry will allot the necessary funds for the commission. These funds will be used for equipment, mobility, expenses and salaries. The decree, which was approved during the last meeting of the cabinet, authorizes the new institution to obtain foreign financing for implementing its functions.

PRESIDENT COMMENTS ON BUSINESSMEN, POLITICS

PY241923 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 24 Dec 80

[Text] I believe 1981 will be a difficult year, but I hope it will not be as bad as 1980. This is a statement made spontaneously by President Figueiredo at a luncheon with reporters accredited to Planalto Palace.

His lack of restraint did not save the business sector, however, from criticisms by the president. He said: The entrepreneurs come to my office and make thousands of promises and express solidarity with the policy we are implementing, but they say totally different things to the public. They should say to me what they are saying outside, because only then would I know what they really think of the national situation.

Regarding the crisis in the automobile industry, the president again criticized the businessmen: There will be unemployment, he said, and I think it is beginning. He added: Why don't they reduce the automobile prices in order to sell more and reduce their deficit?

Regarding politics and referring to the 1982 elections, President Figueiredo categorically stated: He who wins will oust the bionic [slang for appointed] senators. It hurts to see some bionic senators leaving the majority group when they asked to be bionic senators. They have used the regime and now they defect to the opposition. Those who win will outsmart the farmers who are always asking for official credits, but why don't they sell some assets to be invested in plantations? I also ask your pardon for any misunderstanding during this passing year.

SMALLER ORGANIZATION TO REPLACE MEDIA MINISTRY

PY240146 Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Dec 80 p 1

[Excerpt] The extinct Mass Media Ministry will be replaced by a much smaller organization similar to the old press and public relations bureau of the Geisel administration. Approximately, 190 employees will be either dismissed or transferred to their original organizations while 70 will remain with the new organization.

PAPER DISCUSSES 'CONCENTRATION OF POLITICAL POWER'

PY270140 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Dec 80 p 3

[From "Notes and Information" page: "National Appetite for Power"]

[Excerpts] Four ministers of President Joao Baptista Figueiredo have been sacrificed on the altar of a noticeable concentration of political power during the 2 and 1/2 years of his government. This in no way adds up to the strengthening of the Presidency and gives us no reason to believe in the emergence of a "strong executive branch" that is being mentioned by some theoreticians of the moment. Ministers do not ask for dismissals. They do not quit because of disagreements with presidential policy or because they did not contribute to the best operation of the administrative machinery. They are, rather, thrown out by this administrative machinery because they are not useful for its maintenance. They are pushed out of orbit by pulsations of the small but terrible nucleus of real power.

From where we stand, having no taste for the type of intrigue that prevailed in the Florentine court--so well analyzed by Machiavelli--or for speculation on the profile of some Rasputin in the Planalto Palace, we can only ask ourselves what kind of liberalization will result from that gradual shrinking of the decisionmaking circle which now centers more on the planner or planners of our political evolution than on the person of the nation's president, because it can be seen that the well-known circle of power does not consider the good performance of the current incumbent of the Presidency to be as important as the control over the present dynamics of transition.

For the maintenance of that rigid control, however, the changes of personnel--that is, the replacement of a minister by another--has not been sufficient in some instances; instead, the redesgning of the power chart was necessary. This was the case with the dismissal of Said Farhat last Thursday and the apparent extinction of the Mass Media Ministry. In reality, the status of minister which Farhat had was eliminated by transferring the functions of the Mass Media Ministry "without impairing the government's social communication activities"--as stated not very subtly in the official note. These functions, along with the respective budgetary allocations, have been added to the already respectable leverage of the presidency's civilian cabinet.

Therefore, the departure of Said Farhat is not simply the dismissal of a minister. It really means the reinforcement and reinvigoration of the ministerial post headed by Gen Golbery do Couto e Silva, thus weakening even more the entire cabinet. What can be seen over the horizon in the near future is the reversal of the situation which prevailed when the Mass Media Ministry existed: there will be ministries which exist in name only, with no more autonomy than secretariats fully subordinated to one of the four "ministers of the house."

Since we are used to authoritarianism, we are no longer surprised by the anomalous use of power that is ever more apparent in the Planalto Palace: A voracious power which fattens itself by eating up everything, from the somewhat naive sincerity toward the world of tricks and maliciousness which is now Brasilia and the Planalto Palace in particular, to the most unselfish dedication. Eduardo Portella, Karlos Rischbieter, Mario Henrique Somonsen and Said Farhat are living proof of that. The national appetite for power is today concentrated in a few offices at Planalto Palace. Those who want to survive just keep their distance.

But effectiveness will be demanded of such power. And this demand will never be made through the malevolence of detraction to which the president referred in a speech to the armed forces this week. After all, those who do not participate at all and who must bow their heads before those to whom was delegated little or none of the power they irradiate, at least retain the strong right to demand effectiveness. The less the responsibility of society in the pact of power that rules and governs, the greater the demand on that pact of power. This is the lesson from our forefathers that seems to have been forgotten. And when the president of the nation himself warns that 1981 will be worse than 1980 in every respect, nobody can expect that such a demand be attenuated.

SARAIVA GUERREIRO OUTLINES FOREIGN POLICY

PY241219 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Dec 80 p 11

[By Flavio Almeida Salles]

[Excerpt] Coexisting with conflicting South American regimes, Brazilian diplomacy bears in mind the permanent and not temporary interests of these countries and the Brazilian Foreign Ministry hopes that the development of democratic institutions in Brazil will not be tied to the existence of abstract government models on the continent.

This is the course set by Foreign Minister Saraiva Guerreiro for Brazil's foreign policy toward its neighbors. In his interview with FOLHA DE SAO PAULO, the minister stated that this policy already is yielding results because in his opinion never before "has the level of confidence in our intentions, attitude and operating methods been so high."

The foreign minister believes that Brazil has organized its foreign relations "in accordance with a scale of priorities established after an objective and realistic analysis of our interests" and based on "common sense, objective evaluation of the events and taking advantage of opportunities without any ambition or leadership-seeking intentions."

He added: "We are not moved by immediate commercial or material interests, we do not measure official vists by the number of accords signed or by the texts of the final joint communiques, we do want to build up confidence in our international standing which should be felt without hesitation or doubt."

"We must be clearly aware of our true status. During the coming years, we must be bravely cautious, we cannot remain aloof, our positions must not be a set of simple ideas, they must convey something useful and operational which could eventually lead to international solutions."

Guerreiro feels that "there is a natural expectation" regarding Brazil's contribution to "the great issues which will be discussed in the coming years, discussions which will be carried out under extremely difficult circumstances," and Itamaraty plans to make its contribution "through ideas supported by Brazilian experience," which would be "free from certain doctrines inspired by power struggle, power balance or the risks of armed conflicts."

This performance will be "obviously helped along" by the process of democratization of the Brazilian regime. However, the minister made certain comments concerning this process: "It must not slide down into mere electoral campaigning and demagogery. It must have an awareness of responsibility" so that our contribution could be presented to other countries, not as an "imposition" [influencia de poder] but as "an idea, an intelligent method which could be the acceptable way for coping with the difficulties of the current world and especially of the American continent." Having the South American continent in mind, the foreign minister stated that "we have ceased to be a country which could do things at a parochial level" and if we turn out to have been able to develop a responsible democracy, "we will take care not to impose anything on other countries."

According to the foreign minister, "the international society is a society of independent states. Thus, we are not thinking in terms of supranational utopias, even if it were possible to organize a lasting system on the basis of the hegemony of the most powerful group." He stated: "We very carefully are trying to avoid giving the impression that a domestic development in Brazil could become a sort of international cure-all. We believe that one's experience cannot be automatically transferred to other countries."

ITAMARATY 'DISPLEASURE' AT ARAB PUBLICITY EXPLAINED

PY292046 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Dec 80 p 4

[Text] Brasilia--Itamaraty must discreetly express its displeasure to Arab ambassadors accredited to Brasilia for the broad publicity given to the meeting they held with Foreign Minister Saraiva Guerreiro in his office.

At that meeting, called to express support to the opening of a PLO office in Brazil, the participants had agreed to maintain discretion regarding their conversation. Contrary to that agreement, however, the press has had access to a number of reports, including a strong protest presented on the occasion by the ambassadors from Saudi Arabia, Kuwait, Algeria, Morocco and Pakistan. These diplomats expressed regret that the seventh Latin American Jewish congress was not conducted "as agreed upon," like the one held recently in Sao Paulo. One of the spokesmen of the Arab and Islamic ambassadors told the foreign minister: "We were given assurances that the publicity for the congress, in which no government official was to participate, would be maintained at a discreet level. Nevertheless, we regret to inform you that, to our amazement, Zionist circles used the occasion to attack the PLO, which was labeled a terrorist group. We feel that Brazilian soil should never have been chosen for this kind of propaganda, especially when Brazilian cooperation with Arab countries is developing in the political, cultural and economic areas."

In addition to this protest, the Arab and Islamic ambassadors reiterated several previous appeals made to the Figueiredo administration to authorize the opening of the PLO office. They argued that the growing rapprochement between Brazil and the Arab nations and the firm position adopted by Itamaraty at international organizations recognizing the PLO as the legal representative of the Palestinian people fully justify the opening of a representative office. According to the Arab diplomats, this is the final step needed for Brazil to "close the circle" of friendship with the Arab world.

At the meeting with Foreign Minister Saraiva Guerreiro, the Arab and Islamic ambassadors praised the minister's speech made at the end of September at the opening of the UN General Assembly, in which he included favorable reference to the PLO and to the rights of the Palestinian people.

## 1981 ARMS SALES REPORTEDLY TO EXCEED $1 BILLION

PA271637 Madrid EFE in Spanish 0945 GMT 27 Dec 80

[By Manuel Horacio Gimenez]

[Text] Rio de Janeiro, 27 Dec (EFE)--The recent creation of the posts of military attache in the Brazilian Embassies in Iraq, Yugoslavia and Guyana and studies on creating others in Angola and Mozambique show the Brazilian Government's interest in promoting its arms sales.

Since the arms export policy is secret and the transactions are carried out from government to government, it is difficult to establish the economic volume of these exports. Nevertheless, arms held first place in Brazilian sales abroad in November in the sector of manufactured products for foreign markets.

Last year, according to unofficial estimates, Brazil sold approximately $700 million or perhaps $800 million, and it plans to exceed $1 billion in 1981.

The four new military attaches will work in countries whose governments proclaim themselves as socialists, which confirms the interest of the Brazilian Government in increasing its sales to all countries, aside from obtaining better local information.

Some of the Brazilian military products for which there was more demand in foreign markets are the light armored car, particularly the "Cascavel." Many of these were purchased by Arab nations to be used in the desert.

The Ordnance Industry (IMBEL) is "no longer capable of meeting the demand," according to a recent statement by the president of the firm, Gen Arnaldo Calderari, while the manufacturers of armored vehicles (Engesa/Engenheiros Especializados, SA) continues to receive new orders.

The policy of IMBEL, which manufactures army materiel, is to bolster its technological independence in that field and to encourage private enterprise to harmonize its efforts with such military manufacturing.

The growing economic development of Brazil and its importance among the powers of the forthcoming century have prompted its government and military authorities to think about an industrial infrastructure that will serve the needs of its national security.

Military analysts point to the Jewish trade as its greatest competitor in South America in that field. The Israelis have an important market in this part of the continent. In fact, it has been noted that the Israeli Government, which has its largest arms sales office in Mexico City, proposed an association with Brazil. This was turned down by the latter, however, as it does not wish to share such a promising market.

## DECREE CREATES NEW NUCLEAR PROTECTIVE ORGANIZATIONS

PY240041 Rio de Janeiro JORNAL DO BRASIL in Portuguese 19 Dec 80 p 16

[Text] Brasilia--President Joao Figuereido yesterday signed a regulatory decree for the implementation of decree law No 1809 of 8 October 1980, creating the Protective System for the Brazilian Nuclear Program (SIPRON) [Sistema de Protecao ao Programa Nuclear Brasileiro].

SIPRON's objective is to safeguard overall planning and to coordinate joint action and the continuous execution of the measures necessary for the security of the Brazilian nuclear program and its personnel as well as the population and environment.

Moreover, the decree creates the Coordinating Commission for the Protection of the Brazilian Nuclear Program (COPRON) [Comissao de Coordenacao da Protecao ao Programa Nuclear Brasilero], which will aid the general secretariat of the National Security Council in coordinating SIPRON activities and handling emergency situations.

By proposal of the National Security Council's general secretariat, the members of COPRON will be nominated by the respective ministries and will be appointed by the president of the republic.

ENERGY MINISTER COMMENTS ON OIL SUBSTITUTES

PY291257 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 28 Dec 80

[Text] Fortaleza--Mines and Energy Minister Cesar Cals stated here that much will be done to replace oil and its byproducts in 1981. He indicated: We expect to break the record of national oil production by turning out 230,000 barrels per day as early as January and 280,000 barrels per day by the end of the year.

In the meantime, 50,000 barrels of alcohol per day will be produced in January and 80,000 barrels per day by the end of the year. Coal production will increase from [words indistinct] in 1981.

The minister indicated: We hope that the leading sectors of the country will realize that the solution of Brazil's main problem, which is the negative balance of payments, lies in replacing oil byproducts and in conserving these byproducts as much as possible.

Minister Cesar Cals also reported that the first phase of the vegetable fuel oil program could be implemented immediately by mixing vegetable oil and diesel oil, 50 percent each.

DEPUTY CLAIMS CHURCH SECTOR HAS LEADERSHIP PLAN

PY230010 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 22 Dec 80

[Text] Joao Pessdo--Social Democratic Party [PDS] Deputy (Ernane Satiro) reported here today that there is a carefully studied plan developed by a sector of the clergy aimed at disrupting the Brazilian social, political and economic systems.

(Satiro) indicated that the relations between the government and a sector of the clergy are one of the most sensitive problems of the national status quo because they involve a carefully studied and premeditated plan through which these bishops seek to turn the church into the political leader of the country.

PRESIDENT FIGUEIREDO SET TO VISIT PORTUGAL

PY271623 Sao Paulo Radio Bandeirantes Network in Portuguese 1550 GMT 27 Dec 80

[Text] President Figueiredo is preparing for a trip to Portugal in early February 1981. According to high-ranking diplomatic sources, his visit must consolidate both countries' policies regarding Africa, in addition to establishing the basis for a broader and more embracing cooperation between Brazil and Portugal.

PRESIDENT APPOINTS NEW CABINET, EXPLAINS DECISION

PY291836 Santiago Chile Domestic Service in Spanish 1630 GMT 29 Dec 80

[From Government House by (Graciela Contreras)]

[Text] Shortly after noon today, President Pinochet appointed the new ministers who will now make up his cabinet. He confirmed certain ministers and designated several officials holding ministerial rank. He also explained his decision:

[Begin recording] As everybody well knows, on 26 December I requested the resignation of the entire cabinet in line with the powers vested in me by the constitution in order to reorganize the cabinet for the new term in office which will begin on 11 March 1981. The requirements posed by the political leadership of the state and the characteristics of the new administrative period call for these changes, which I deeply regret from a personal point of view because they force me to part with exceptional aides who have done everything to support me loyally in the difficult and often misunderstood role of leader. [end recording]

The swearing in of the new cabinet took place at the Diego Portales Building. During the ceremony, Interior Under Secretary Enrique Montero read the decree law appointing:

| | |
|---|---|
| Minister secretary general of government | Julio Bravo Valdez |
| Minister of mines | Jose Pinera |
| Health minister | Rear Adm Hernan Rivera Calderon |
| Labor and social welfare minister | Miguel Kast |
| Minister of agriculture | Jose Luis Toro Hevia |
| Economy minister | Rolando Camos |
| Defense minister | Lt Gen Carlos Forestier |

The president also appointed other officials holding ministerial rank:

| | |
|---|---|
| Minister-director of the national planning office | Alvaro Donoso Barros |
| Minister vice president of production development corporation | Col Mario Renato Varela Correa |
| Minister-chief of the advisory committee of the government junta | Brig Gen Roberto Guillar |
| Head of the presidential staff | Gen Santiago Sinclair |
| Minister-chairman of the national energy commission | Gen Hermann Brady |
| Minister under secretary of the interior | Brig Gen Enrique Montero (Marx) |

Before releasing the list of the new members of his cabinet, General Pinochet stressed this year's performance of the outgoing ministers whom he thanked for their dedication, loyalty and unselfishness. He also emphasized the achievements of the last 12 months, among the most important of which have been economic strengthening and social development plans which allowed the eradication of extreme poverty. The president also spoke about the changes in the social welfare system which currently seeks to provide workers with deserved rest. The president also pointed out the progress attained in the labor plan, the system of bids used to sell government property, administrative reform and the regionalization program, all of which, he said, have evidenced significant progress this year.

THIRD COUNTRY NATIONALS DEPORTED BY VENEZUELA

PA300308 Bogota Radio Cadena Nacional in Spanish 1730 GMT 29 Dec 80

[Excerpts] The Department of Administrative Security [DAS] authorities in Cucuta have confirmed that the Venezuelan authorities are deporting to Colombia third country nationals for unknown reason. DAS Director Carlos Arturo Castro today made the following statements to Radio Cadena Nacional in Cucuta:

[Begin recording] [Castro] There is a regional emergency committee here, which is chaired by the governor of Norte de Santander, and we are holding periodic meetings. I think the governor could give you more information on the activities of that committee. The committee has been established to receive the deported persons and provide them with lodging, food, baths and it is also studying the possibilities of sending them to their place of origin and providing them with the transportation tickets. Naturally, the DAS receives these deported persons from the immigration office at San Antonio, and we have close and good cooperation with the office in order to receive them in a routine fashion and then take them to the immigration center or the Bolivarian center. This center is being prepared to receive many persons.

[Question] Sir, is it true that third country nationals are among the first group of deported persons?

[Answer] Yes, today we received 22 persons which included 9 Dominicans, 9 Colombians and 4 Peruvians.

[Question] What will you do about the third country nationals who have been deported? Will they be sent to their respective countries in 48 hours, or what?

[Answer] The governor has already planned what to do about these persons. They will be sent to the ports in order to go to their countries of origin.

OFFICIALS CONFIRM BOMB CAUSED 21 DEC AIR CRASH

PA261746 Paris AFP in English 1732 GMT 26 Dec 80

[Text] Bogota, 26 Dec (AFP)--A bomb was the cause of the December 21 in-flight explosion on an Aerocesar Company aircraft over northeastern Colombia in which (62) people died, it was officially confirmed today.

The bombing--described as a terrorist act--occurred over the Guajira Peninsula, along the Venezuelan frontier. The plane, a Caravelle jet, was heading for Bogota at the time of the explosion.

PRESIDENT STROESSNER ADDRESSES NATION AT YEAR'S END

PY241616 Asuncion Domestic Service in Spanish 1213 GMT 24 Dec 80

[President Alfredo Stroessner's yearend message to the nation at government palace in Asuncion--live]

[Summary] Paraguayan people, celebrating the new coming of Christ as an exalted and everlasting mission for the benefit of mankind, I want to reaffirm the profound religious feelings which inspire the Paraguayan people to associate their faith with the symbol of the cross and their patriotic convictions. If with peace we demonstrate that we are faithful to Christ's doctrine, with peace we also demonstrate our good citizens' will. We cannot love God by seeking social dissolution and we cannot love the fatherland by obscuring its horizon with violence. [applause]

"I am happy to announce that the government has never fostered hatred nor has it expressed opposition to the spirit of unity of the great Paraguayan family. Patriotism is the basis of our peace, and in virture of this patriotism we repudiate those who want to engulf our fatherland in chaos and to plunge Paraguayan homes into sorrow due to confrontations which tear the national spirit.

"We are ready to fight to the last in the defense of peace and order, which are the strongest bases of the republic's prosperity. We have lived through a painful experience when bandits and mercenaries, trained and paid by international communism, tried to crush our peace by killing peaceful citizens and loyal defenders of order, such as Lt Moises Galeano, the nine privates, Deputy Chief of Police Asuncion Mustafa Abdala, the German resident (Oscar Sorriet), the vice president of the Colorado Party branch office in Yhu, Raul A. Oviedo, and civilian policeman Moises Villalba, who suffered barbarous tortures and found their deaths by being devoured by ants. Recalling these and other barbaric episodes, I feel compelled to remind you of the obligation of zealously preserve the security of individuals and never to withdraw in the battle against such enemies of mankind. [applause]

"In this hour of social, political and economic crisis in the world, Paraguay hopefully is implementing a policy based on brotherly understanding and on the democratic and nationalistic values of our race. If the government's mission is to vigorously contribute to the preservation of the coexistence which was founded by law, we must agree that no citizen must feel exempted from fulfilling the same mission. Peace means the right to live harmoniously, but it also carries a duty to fight against the defenders of crimes.

"Only we members of the Colorado Party and all citizens who respect the law and the free institutions defend human rights, not those hypocrates who call upon human rights for their own factional benefits, who speak about the democracy they have abandoned and about a freedom they detest for their ominous ideas." [applause]

Those who try to exempt themselves from responsibility, those who are guilty of assassinations, kidnappings and other antisocial events cannot be called apostles of human rights. We act according to the authentic principles of a juridical order of freedom and justice. Therefore, the constitutional guarantees will continue providing protection to the citizens who want to work and are respectful of the law. [applause]

"This is the real concept of human rights and not the concept expressed by the Marxist fallacy according to which, when they prate about human rights, they only want to favor the impunity of the savage agents of terror and extremism, declared enemies of the Western and Christian civilization. [applause]

"Some alleged defenders of human rights daringly call themselves members of the national commission and I want to ask them: When and how did the people give them their consent to become representatives of a national commission?" [applause]

"We will defend the country's peace and order with all the force of the law and with all the truth." There are some individuals who have no popular representation and who say things filled with hatred and bitterness, echoed only by small sectarian press, who are far away from the real national feeling, and whose constant interpreter is the Colorado Party. [applause]

The latest municipal elections have honored us by strengthening democracy in our country. The Colorado Party again reaffirmed its overwhelming majority by winning with 88.25 percent of the votes. This proves that the Colorado Party is the constant and permanent pillar of progress and development of Paraguay. [applause]

The Radical Liberal Party and the Liberal Party also participated in these elections held 19 October, but not so the Febrerist Party which systematically rejects the ballot boxes because it knows that the results will reaffirm that it has no popular support. [applause]

"On this Christmas Eve, I want to reaffirm before my people that as president I will never stop exercising the power given to me thorugh the elections, seeking the unity and solidarity of all the people as a moral force to construct the happinesss of the nation. [applause]

"The feeling of civilized peace and coexistence which embraces the Paraguayan people recently was shocked by a crime perpetrated on our soil by international communism on 17 September 1980, when Gen Anastasio Somoza Debayle, former Nicaraguan president, and his companions Joe Baitiner and Cesar Gallardo were killed. In view of this reprehensible event which is so strange to our lifestyle and to our moral conscience, the overwhelming majority of the citizenry condemned and repudiated this unspeakable action by agents of a perverse ideology, the enemy of God and of the dearest principles of man." [applause]

Thus, less than a year after his arrival in Paraguay, assassins and traitors committed to communism took the life of General Somoza. Declaring a day of joy over the assassination of a human being is an attitude which is seen only in souls corrupted by hatred and moral miseries. We know perfectly well who finances these attacks on human beings and the paths on which these enemies of freedom walk. We will take all necessary measures to defend the order, dignity, honor and freedom of the Paraguayan nation. [applause]

The brilliant thinking of Pope John Paul II has great significance to our government action: no to violence and yes to peace. The constructive spirit of our nation makes our development more dynamic and promotes cooperative relations with friendly countries.

"In the international sector we maintain the vigorous personality of a free independent country which will never give up defending the sacred principles of legal equality of states, nonintervention in domestic affairs and self-determination of the peoples." [applause]

The year which is coming to an end was another period of numerous achievements in various sectors: We can mention the largest dam in the world, Itaipu, which is being built jointly with Brazil.

The railroad treaty between Brazil and Paraguay was signed in Asuncion on 11 April and was ratified in Brasilia on 19 December. The so-called soybean railroad will serve to expand the national economy. In the same development perspective, we also can mention the construction of the Yacyreta enterprise.

Right now, more than 95 towns are enjoying the benefits of electricity thanks to the historical effort of the Paraguayan people to build the Acaray dam, thus contributing to the well-being of the rural sector.

With the resolute spirit of multiplying the enterprises of civilization and culture which will enhance the national prestige, I send greetings to all my fellow countrymen and to the good foreigners who contribute their efforts to strengthening Paraguayan prosperity.

Cordial greetings to military officers and soldiers of the armed forces, to all Colorado Party members who make up the essence of our democracy. I hope that all Colorados and good Paraguayans will be alert to defeat any action of the atheist Marxism which will never hurt our unbreakable faith in God, in the fatherland and in democracy. [applause]

I also want to extent greetings to my colleagues, the war veterans who with sacrifice won victories during the Chaco war. The same goes to all members of the police and to all public employees. I also send words of encouragement to all the sick and pray that Almighty God will kindle the light of hope in them. Words of encouragement are sent to all good priests who are aware that our religion is synonymous with charity, understanding and reaping good and brotherhood.

I also send wishes of success to all teachers, stressing that wich education, we are inculcating the human values necessary to accelerate the pace of national development. I also send greetings to all workers and farmers, to all businessmen, giving assurances that we always will support the private initiatives which aim at the common good. Best wishes also to all congressmen and legal authorities. Wishes of happiness also to all the members of the diplomatic corps accredited to the national government, extending wishes of well-being and progress for their respective peoples. [applause]

"Paraguayan people: I wish that 1981 will be another year of agreement and work, protected by the law, and I wish that efforts to increase the spiritual and material values of our peaceful revolution will be doubled. I thank Almighty God for his generous protection so that I may be able to fulfill my duty as soldier and leader, with my irrevocable faith in the greatness of Paraguay." [applause]

ARRESTED FEBRERISTA PARTY LEADERS RELEASED

PY291759 Asuncion ABC COLOR in Spanish 24 Dec 80

[Text] The young leaders of the revolutionary Febrerista Party, arrested and held at the technical office of the Interior Ministry since 11 December, were released yesterday.

It was reported that Arnaldo Llorens, Julian Cubas, Nimio Nunez and lubis Gimenez were released. They were held incommunicado since 11 December 1980 at the aforementioned place.

A Febrerista spokesman also disclosed that those arrested were not victims of any illegal pressure during their imprisonment at tht technical office of the Interior Ministry. The reason for their arrest was not disclosed.

EXECUTIVE BRANCH APPROVES MONTEVIDEO TREATY

PY171429 Asuncion HOY in Spanish 16 Dec 80 p 15

[Excerpt] The national executive branch yesterday promulgated law No 837 approving the 1980 Montevideo [ALADI] treaty. The treaty was approved by the national congress on 4 December 1980.

OIL POLICY AROUSES CONTROVERSY IN SENATE

PY201644 Lima Radio America in Spanish 1200 GMT 20 Dec 80

[ ext] Senator Carlos Malpica has charged that the government's oil policy is creating The threat of reviving the ideas of former President Velasco. He added: This would be a threat for both the right, which relies on dependence, and for the left. The important thing for these two forces is to conduct themselves so that one of the groups does not contribute to creating chaos.

Senate President Oscar Trelles said that the sectors [word indistinct] are using the debate on the oil problem as a banner for a military coup. Trelles said: They will soon be identified because they already are announcing mobilization.

Further Report

PY201839 Paris AFP in Spanish 1714 GMT 20 Dec 80

[Text] Lima, 20 Dec (AFP)--Oscar Trelles, the president of the Senate and a high official leader, has claimed that supporters of former President Juan Velasco Alvarado are presumably interested in a coup d'etat in Peru.

He said that they could use as a banner for the coup the criticism made by the former economy minister, Javier Silva, regarding the new oil law--criticism which was publicly debated on Wednesday night with the energy minister.

Trelles, who is one of President Fernando Belaunde's most trustworthy men, added that it has been demonstrated during the past 12 years that the armed forces do not know how to govern.

After stating that it is not likely that the armed forces will launch into a political adventure, he added that politics is harmful for the military because constitutionally it is reserved for civilians. The politician stated that he is in agreement that the oil law should continue to be debated. This law grants tax incentives to those who reinvest their profits in the same industry.

CONGRESS PERMANENT COMMISSION TO MEET 6 JANUARY

OT291619 Lima Radio America in Spanish 1200 GMT 29 Dec 80

[Text] In compliance with a constitutional provision, the congress permanent committee will meet for the first time on 6 January. This committee will run all activities of The legislative branch during the recess of the plenary sessions of the two chambers--that is, until 31 March 1981.

During these nearly 3 months, the permanent committee will have the same powers as the congress, including the power to promulgate laws in case the executive branch does not do so. It will even authorize the president and members of Congress to make trips abroad.

The permanent committee will be presided over by the head of the Chamber of Senators, Oscar Trelles Montes, whose post will be covered in the meantime by the president of the Chamber of Deputies, Francisco Belaunde Terry.

BRIEFS

FRG LOAN--The Ministry of Fisheries will finance the construction of 30 fishing vessels with a loan amounting to DM2.5 million, approximately 425 million soles, that has been granted by the FRG. [Lima Radio America in Spanish 1200 GMT 19 Dec 80 PY]

GOVERNMENT TO DRAW UP NEW POLITICAL PLAN

PY231648 Buenos Aires TELAM in Spanish 1945 GMT 22 Dec 80

[Text] Montevideo, 22 Dec (TELAM)--The civilian-military government will study a new political timetable to achieve the institutionalization of the country during a meeting to be held by the end of January 1981 in which the highest-ranking national officials will participate.

The new plan will replace the one which was in force but which was nullified when the draft constitution proposed to institutionalize the presence of the armed forces in power was not accepted in the 30 November referendum.

The rejected draft also provided for the election of a single candidate for the Presidency of the nation in November 1981 to replace Aparicio Mendes, who was designated by the armed forces to occupy the Presidency.

The information obtained from sources close to the government states that this governmental conclave will gather the highest-ranking civilian and military authorities and that it will be held at a well-known place in the interior of the country.

The local political observers do not dare make any prejudgment in relation to the future political timetable to be drawn up during the conclave, which reportedly will last several days.

After the negative vote on the constitutional reform, President Mendes and the high military commands announced that the return to the state of rights will continue irreversibly until its complete culmination.

The newspaper LA MANANA, which belongs to one of the Colorado Party factions that supports the government and which is considered progovernment, indicates that this conclave will occupy the entire government for several days.

The decision on the date of the meeting will soon be made and it is reported that groups of advisers are working on the topic in several ministries and also in military organizations.

Official sources repeatedly have noted that the government has promised to make an effort to prepare a new political plan to replace the one which was drawn up in 1977.

The next meeting will be the fifth of this type convoked by the current civilian-military government.

BRIEFS

TOURISM AGREEMENT--Uruguay and Argentina this morning at the Foreign Ministry signed another agreement which will expand the scope of tourism between the two countries. [Montevideo Radio El Espectador Network in Spanish 1600 GMT 19 Dec 80 PY]

NO EMPLOYEE BONUS--The under secretary for economy and finance has announced that government employees will not receive any special bonus this year, only the stipulated half of the usual annual bonus. The reason for this is that state income did not show any surplus this year and, therefore, there are no extra funds to pay the workers any special bonus for efficiency. [Montevideo Radio El Espectador Network in Spanish 1600 GMT 15 Dec 80 PY]

INTERIOR MINISTER ON ALIEN REGISTRATION POLICY

PA300045 Caracas Radio Continente Network in Spanish 2100 GMT 29 Dec 80

[By Euclides Perez]

[Text] The registration of aliens is the first step of the new immigration policy which will be summed up in a bill on alien affairs that will be introduced to Congress during the March 1981 sessions, Interior Minister Rafael Andres Montes de Oca said, summarizing the operation conducted by the State Security Corps to arrest illegal aliens here.

[Begin recording] [Montes de Oca] I think the program has been a great success beyond a shadow of a doubt. We have put to rest the myth or taboo of illegal aliens and we are now in a position to tailor an immigration policy to the true national interest. The operation to find the illegal aliens has been coordinated by the armed forces of cooperation.

Over 250,000 people have been asked for their identification papers in the country and so far it appears barely a little over 100 aliens did not register as the government had requested. Of course, this further explains the situation and ensures the population of the effectiveness of the registration program. Illegal aliens are being treated according to the Venezuelan tradition of respect for human rights and human dignity. Deportations have begun and they will naturally be conducted pursuant to the national law.

[Question] Would you outline the immigration plan that you mentioned?

[Answer] We have started by finding out the number of resident aliens in Venezuela. Of course, they are many. There are approximately 1.3 million legal aliens in Venezuela; in other words, they are abiding by the law on alien affairs or have a transit visa. Add to that 350,000 illegal aliens who registered and this gives a total of a little over 1.6 million. According to population figures, this should be about 10 percent of the overall population. We know this now. Of course, they will be controlled as any sovereign nation controls resident aliens. But from now on we will have greater control over the entry of aliens through the permits issued by our consulates.

We have eliminated the tourist card because that was a power that the Venezuelan state had vested in the airlines and the travel agencies. This will cut back the mass influx of tourists who come to Venezuela legally but once they are here they do not return to their home country and, of course, this makes them illegal aliens. We are going to keep such control over resident aliens. No consul is now empowered to grant resident visas. This is up to the Interior Ministry. Something very important is that the first draft of the new law on alien affairs is ready. It will be introduced to Congress, according to schedule, in the first half of 1981. [end recording]

MEXICO CANCELS FISHING AGREEMENTS WITH U.S.

PA300421 Buenos Aires LATIN in Spanish 2248 GMT 29 Dec 80

[Text] Mexico City, 29 Dec (LATIN)--Mexico has decided to terminate its fishing agreements with the United States after the two nations failed to reach an agreement on fishing rights, official sources said today.

They added that the cancellation of the two agreements, a bilateral agreement and another one which is part of the international fishing convention, means that the United States is banned from fishing within the 200-mile territorial sea of Mexico as of 1 January 1982. The main treaty required a cancellation notice a year in advance.

Mexico, which recently was refused an increase in the quota of squid trawlers in U.S. waters, thought the agreements to be unilateral, notably because the profitable tuna fishing business was being hurt by U.S. ships operating from the California coast. A U.S. Embassy source said that negotiations had been going on all year long to solve the problem which occasionally led to the detention of trawlers of both nations.

In July the United States embargoed Mexican tuna exports for a total of $30 million a year after Mexico detained several U.S. trawlers because they did not carry the proper permits. Well-informed sources said that the decision to cancel the agreements, which would be officially announced tonight, also reflected Mexico's decision to bolster its fishing fleet.

The government recently reported it was expecting to increase its fishing capability from the current 600,000 tons a year to 2.4 million tons by 1982.

DEPUTY NOTES 'INTEREST' SURROUNDING REAGAN VISIT

PA300303 San Jose Radio Noticias del Continente in Spanish 0100 GMT 30 Dec 80

[By correspondent Luis Alberto Garcia from Mexico]

[Text] Luis Farias, chairman of the Mexican Chamber of Grand Committee Deputies has said that Mexico does not give advice or accept suggestions. U.S. President-elect Ronald Reagan's visit to Mexico is important because nations that live next to each other have common and opposing problems and interests. At the same time no advice is expected because we do not like to give advice or be given advice, Luis Farias, chairman of the Grand Committee of the Mexican Chamber of Deputies said yesterday commenting on the announcement of Reagan's visit to Mexico.

It is important for the man who is going to become president in the neighboring country to visit our chief of state and discuss the problems that the two nations are facing, he said. He added that nations that live next to each other always have common and opposing problems and interests and dialogue is the best way to settle their differences.

Farias denied that Reagan's visit is anticipated with fear, (?disillusionment) or lack of hope. It is just anticipated with interest, he stated. He also noted that there is no reason to anticipate the visit with fear since our international development background is positive. We have a solid political structure just as the Americans have theirs.

He stressed that no advice will be accepted during Reagan's visit because we don't like to be given advice and we are not giving advice. We are just friends. He did not dismiss the possibility that President Jose Lopez Portillo will make some comment to the U.S. president-elect on the situation in the Republic of El Salvador but those views will not affect the political decisions of the two rulers.

ADMINISTRATOR NOTES CANAL SITUATION, EXPECTATIONS

PA241242 Panama City Televisora Nacional in Spanish 2315 GMT 23 Dec 80

[Jose Montano report]

[Excerpts] Weighted down by a law connected with the implementation of the treaty, which straitjackets its financial and administrative interests, the Panama Canal Commission is preparing to request an amendment to law 9670, which, according to Panama, violates the 1979 treaty.

This morning we held a long talk with deputy canal commission administrator Fernando Manfredo to analyze the situation as well as the expectations for the fiscal year, which began on 1 October.

Manfredo made his statements in light of the conclusion of the first year of operation of that U.S. agency on 30 September. The agency received total revenues of $369.4 million, of which $300 million were received in the form of tolls. Of that grand total, Panama received $75.3 million as a direct economic contribution from the canal's operation.

However, this favorable economic situation exists amid an acute labor impasse, which is the result of the United States' implementation of a wage scale that reduced by as much as 50 percent the salaries of the new employees hired by the commission, as compared to the salaries of the personnel already working in the area before the implementation of the Torrijos-Carter treaty. The reduction of salaries in the Panama Canal area came about due to U.S. congressional pressures, which decided on the implementation in the area of a salary policy similar to that implemented by the United States in other areas where it maintains military and civilian installations.

[Begin Manfredo recording] We are making a number of recommendations to the Board of Directors in order to modify that salary scale and to reduce the difference between the salaries we were paid here in the past and the new salaries, which are based on those in Panama. [end recording]

It is obvious that the origin of the entire labor problem and of several others, including the financial problems affecting the Panama Canal, stem from the implementation of law 9670, an administrative measure which, [begin Manfredo recording] as a U.S. Government agency we must obey, regardless of whether it is good or bad, or whether or not it is in accordance with the treaty. As an agency we are obliged to obey this law. Within this law we have observed certain administrative provisions that reduce the flexibility we need to manage this canal efficiently.

About 1 week ago, a U.S. newspaper asked me about this [Reagan's future behavior in connection with the new canal treaty]. My answer is the following: President-elect Reagan is coming to power in the United States with the commitment to improve the country's economy and to emphasize the improvement of the economy. There is not the slightest doubt that this canal contributes significantly to the U.S. economy. In order for this contribution to be positive, this canal must continue to operate efficiently. To a large extent, this efficiency depends on the relations between our two countries. If relations with Panama continue to be harmonious, to that extent it can be guaranteed that the canal will continue to operate efficiently. This harmony will in turn depend on respect for and fulfillment of what is established in the treaties. [end recording]

COSTA RICA

PRESIDENT DELIVERS MESSAGE ON NATIONAL ECONOMY

PA271447 San Jose Domestic Service in Spanish 0204 GMT 27 Dec 80

[Speech by Costa Rican President Rodrigo Carazo Odio on radio and television network--live or recorded]

[Excerpts] We are all responsible for the serious problems that have became chronic and untenable for the progress of our economy. The deficit between what we receive from abroad and what we pay abroad, the habit of approving national budgets without the necessary financing, and the way in which we learned to finance them without any apparent sacrifices, are all problems that have definitely reached their limit and which require the firm and [word indistinct] type of decision that my government is making.

What we regard as the limit can be explained by means of very simple considerations and figures. While for each inhabitant we sell abroad $500 per year, we are buying $800. This results in $300 of external consumption for which we cannot pay.

In order to finance the state apparatus, or in order to install big state enterprises, past governments have taken credits from the banking system in such quantities that their negative effect on the productive sectors cannot be denied. In addition, artificial issues have been resorted to and these have produced strong inflationary pressures.

This situtation has been experienced with such disinterest, that the tax package submitted to the Legislative Assembly in July 1979, in order to (?reduce) the fiscal deficit by means of new revenues has not yet been approved.

The interests of the economically strong groups have been combined with electoral interests, and as a result of this, 78 percent of the country's revenues has been coming from indirect taxes that affect lower-income groups the most.

The country lacks international reserves and there is no prospect of establishing them solidly within a short period.

My government has contributed to the consolidation, expansion and achievement of the national objectives despite inherited external problems. We have been called to correct errors and [word indistinct] made in the past. My government program has clearly defined and outlined the country's major problems since the days of the political campaign. My government has committed its firm political will to bringing about thorough rectifications, and we are intent on making any such rectifications, despite the pressures exerted by those who prefer to go back or to maintain things the way they are in order to protect their privileges.

Very often the government has taken steps which have affected the interests of some groups, but we have never changed our goal: the common good. At the end of this year we can see some changing trends which are especially encouraging for the country. Some of these are the decrease in imports, an increase in the export of nontraditional goods, the diversification of our production and a substantial improvement in the handling of public funds.

We have accumulated a great deal of experience during the transition period, under especially adverse conditions and, therefore we also assume the unavoidable responsibility of making changes, with a concern for history and the nation's well-being.

The firm government actions with regard to the monetary supply which has been included in the implementation of the national budget since 1978, 1979 and 1980--with the presentation of bills to the Legislative Assembly, which have not been passed yet--should have been strengthened with the measures taken by the executive branch, in view of the lack of legislative action in December 1979, July 1980 and September 1980 and now by the Costa Rican [word indistinct] to the coffee fund of the Bogota group, and the regional petroleum policy promoted by our government.

In light of the continued increases in the price of our imports, the growing cost of monetary reserves, the reduction in the prices of our export products, the establishment of coffee export quotas by the consumer countries, and the delays in the approval of loans, we must make, in coordination with the Central Bank, the decisions which will produce the changes we have been seeking and place full responsibility on the executive branch, in view of the lack of legislative activity, which is becoming slower and more difficult every day.

For many peoples in the world, struggles are centered mainly in the conflict for political rights, and this is why--even at the risk of their lives--their priorities are based not on economic benefits but on the freedom of expression or the right to association, and at times on a fundamental respect for the rights of man.

In Costa Rica we do not have this problem and our searches and conflicts have been centered on finding better formulas for distributing the benefits of our development more justly. When times change and sacrifices are demanded, selfishness seem to become more acute. Each group wants to transfer its share of sacrifices to others, especially to the less favored ones who are not always fully aware of the real situation and cannot express their disapproval. The challenge to political authority and society as a whole is precisely to find a way to share the sacrifices and implement the needed changes within a climate of peaceful coexistence.

The ruler has, therefore, the unavoidable duty of exerting his authority to establish the reorganization he deems necessary for the national interests. Many of these measures will be criticized by those who insist on serving their own economic-political interests. Ruling, however, is not acting to benefit a few.

It is not strange then that during the national debate, we are hearing voices saying that the solution to all evils lies in drastic cuts in the public sector. Others claim that the cause of all these evils is the deficiency of our industry or low productivity and a lack of perseverance of the agricultural sector. Others may say that the solution lies in the elimination of speculation in commerce or in strongly disciplining the always growing demands of the people.

Extremists according to their slogans believe that the solution lies in the surrender of our country to their economic interests or to totalitarian ideology and system.

None of these proposals will solve our problems. Just as in the past we irresponsibly participated in the evils which undermined our development, today we demand solidarity in the changes we must make.

I have tolerated the pressures of many groups trying to obtain a balance which is beneficial to the country. I have become used to hearing the banalities of vested critics, but I must favor justice and I do this out of conviction and with a sense of duty, but without fear of any kind. I have only one commitment and I shall abide by it according to my conscience.

The principles of justice indicate that at the hour of sacrifice those who have the most should contribute the most. Important groups of our people have incomes which barely meet their basic needs for housing and nutrition. Recent surveys reveal that 25 percent of our people, that is to say over 500,000 Costa Ricans, are in this situation.

We cannot be complacent, but there is cause for additional concern in the fact that the same surveys show that this situation is even three times worse in the rest of Central America.

On the other hand, a basic principle of rationality tells us that we have been able to meet this challenge successfully only by producing more and better, in all sectors, to attain in this manner a balanced development of all the country's sectors. This spurs on the promotion of all efforts to increase productivity and to prevent, by all available means in a democracy, any productive activity from becoming paralyzed by conflicts of interests.

One of the greatest dangers would be a reduction in production or in essential efforts. Therefore, we must warn those who threaten the productive process with strikes, or those who follow the dictates of their [word indistinct] or lack of courage, for they are reducing investments still more by removing capital from the country.

The measures we have approved have a twofold purpose: to solve today's problems and to guide the country toward greater productivity, exports and development. We are not satisfied with decreasing evils, but [we are interested] in promoting progress in Costa Rica.

The Legislative Assembly recently approved the national budget for 1981. The draft, presented by the government, showed one of the lowest increases in the financial history of Costa Rica . During the ensuing discussions, some of the budgeted sums were reduced. An evaluation of the perspectives for 1981 recommends the following additional efforts in cutting down spending:

1. To attend to the national clamor that the advanced payment of the political debt must be adapted to the nation's finiancial situation. There is a national consensus that the amount assigned for this purpose has become completely unrealistic. While a total and permanent reform is being found. The present measures should be considered as a sort of restraining effort. We are going to do it.

2. The executive will carefully analyze all funds assigned to new activities and will suspend, during 1981, the beginning of all possible activities which are not directly linked to the improvement of the productive infrastructure, to the preservation of national monuments or to urban development.

3. All vacancies in the government sector, central government, decentralized autonomous institutions and other public concerns, caused by death, resignation or dismissal, must be filled by personnel already employed within the government sector. Appointments will be made only in specialized fields basically essential because of the service rendered or the national interest.

4. The government will make a careful analysis of transfers, rents and subsidies for the purpose of eliminating all those which are not compulsory by the law. It will also request from the Legislative Assembly a detailed review of the laws which require these transfers and subsidies.

5. Approval of the loans [words indistinct] on the part of the Legislative Assembly. This approval, on which the executive has insisted in various ways, is essential for the planned operation of the national production investments and also represents a necessary relief in currency matters. These loans are at very low interest rates, for long terms and have very favorable repayment conditions. These are the types of loans which are disappearing from the financial market and if they are lost, they will be impossible to replace under similar conditions.

Many of the austerity measures proposed would be impossible to implement if these credits are denied to the government. Delays in their approval have affected the country considerably, not only because of the impact on the national economy, but also because it has damaged Costa Rica's credit and name before international financial entities, to the extent that a loan for $50 million, obtained under magnificent conditions and for urgent national needs, was lost. This was lost and naturally this should not happen again.

Moreover, this office will propose the elimination or reform of all the taxes whose collection is more costly than the revenues they produce. Within the general spirit that moves the government policy to increase production, it is deemed advisable to introduce a progressive territorial tax to stimulate production. The tax on motor vehicles will be reviewed and increased substantially in line with the energy policy.

Monetary measures

A more flexible currency exchange has been established according to the goals of the economic policy based on the fluctuation of the colon in the free market.

Credits

Credits will be based on the following criteria: The use of bank credits for the public sector will be restricted. Consumer credit will be drastically restricted. Bank financing for certain luxury items such as automobiles, television sets and so forth will be prohibted. The credit policy for the productive sector will be substantially reinforced in order to favor the export activities that contribute to diversifying our production or that open new markets. The recovery and review of frozen credits and delinquent accounts will be activated. According to Central Bank figures these frozen credits and delinquent accounts doubled in the past decade; they went up from 31 percent to 61 percent.

The interest policy will continue to be flexible and in direct relation with financing costs. The large government housing program will be continued because of important social and economic reasons. Regarding this, easier payment terms than those existing now will be considered and a more flexible system of payments will be established according to the money market. Government bonds will be issued at the competitive prices demanded by the market, as regards interest and terms and in line with the most modern marketing techniques.

The country's development should be directed, with increasing intensity, toward exports, in conformity with the government's actions. We will not be able to differentiate between agricultural exports, industrial exports and the sale of services. In all areas, we must change our mentality. A first step is the new exchange policy, but there is a need for other actions that are especially designed to improve the competitiveness of all our products on foreign markets.

In order to meet this goal, the following specific measures will be applied:

1. Establish a program that will progressively, and without hindrances, allow a substantial reduction in the existing protectionist formulas in order to lower sales prices within Costa Rica and stimulate exports. The primary objective in revising and reducing surcharges on imports which exceed Central American tariffs must be the maintenance and strengthening of the country's economic and political democracy and the gradual elimination of the protectionist structure. This will also result in benefits for the consumer, who will obtain considerable reductions in the prices of many articles.

2. Strengthen the fund for the development of exports with funds from increased government revenue.

3. Intensify by means of [words indistinct] the aggressive program for the promotion of exports, especially by informing national producers of the possibilities of placing their goods in the international market.

4. Reduce to the minimum all the administrative steps necessary for exports.

5. Review of all production licenses and patents.

6. Wage a tourism campaign taking advantage of the new exchange policy.

Employment and Salaries

This is an especially sensitive issue because an important part of our domestic tranquility is based on it. In addition, interests conflict when structural changes are made and adverse international conditions have to be met.

Therefore, a salary policy aimed at redistributing incomes and improving economic conditions tends to increase inflationary pressures and contributes to a greater fiscal imbalance. The salary policy must be adapted to the country's productivity and not to the capacity of certain interested sectors to exert pressure.

Some of the basic guidelines which will direct this policy are:

1. To try in all sectors in the country to prevent any paralyzation of activities, make the law prevail and develop a system of direct periodic contact with the various sectors.

2. To reinforce the policy of gradual salary adjustments in order to maintain a priority adjustment of the cost of living for the low-income sectors and to establish savings percentages in the highest [words indistinct].

3. To strengthen the implementation of autonomous agencies [empresas autogestionarias] giving them more publicity in an attempt to have them cover services which are currently under government institutions and enterprises and to increase employment.

4. To give preference to local labor and to exercise strict control over foreigners to prevent them from supplanting the local workers in the public as well as the private sector which carry out productive activities that generate many seasonal jobs such as the coffee-picking season which has traditionally hired foreign labor.

5. To draft a registry regarding the demand for manual labor followed by a wide publicity campaign throughout the country.

6. To nationalize the holidays in order to eliminate the unnecessary and unjustified ones, adding those which have to be negotiated to the vacation period and transferring others to weekends in order to give greater continuity to the productive process.

Prices

The success of a price policy will be vital, especially in the implementation of the salary policy. For this reason, it must be widely disseminated. An adequate incentive for producers must be continued here, together with a protection of consumers in the satisfaction of their basic needs.

The following criteria must be used in 1981 as a key in the structural transformation of the economy:

1. Maintaining agricultural product prices that encourage production for local consumption but prevent the price hike from being totally passed on to consumers. This demands the implementation of subsidies for basic staples such as rice, wheat, beans, white corn, sugar and milk. This policy will be immediately implemented together with the measures which I am announcing so that the prices of hydrocarbons will not substantially affect these products or urban transportation.

2. Increasing technical and marketing assistance for small producers in order to increase their participation in farmers' fairs.

Public and Private Investments

In facing the need to carry out deep changes such as those that Costa Rica must carry out, many nations have become afraid and decided that deep changes are only possible by regressive policies. They have regressed and their economic production, the enjoyment of their liberties and their social benefits have decreased. Costa Rica rejects this regression and is choosing new paths of progress.

For this reason, public and private investments must promote a future shared confidence. There are options and even risks that must be assumed. Regarding this, in 1981 public action will continue to be focused on measures such as:

1. Boosting sugarcane plantation for the alcohol program which has been started already and which will last for 8 years.

2. Continuing the search for oil according to plans drafted by the government and already underway.

3. Increasing the massive housing program to encourage the construction industry.

4. Promoting the use of national supplies in public projects.

5. Boosting the expansion of [words indistinct] according to government plans already underway.

6. Making the best use of investments made by the Development Corporation, Inc., focusing the attention on industrial plants which have possibility of starting production in 1981, by trying to eliminate the prohibition of foreign investments in these enterprises established by the Legislative Assembly.

7. Promoting tuna fishing according to plans already [words indistinct] as well as any other activity which evidence an economic potential in the exploitation of our marine resources.

8. Speeding up a complete reform of the country's banking system.

9. Proposing a special Legislative Assembly commission study the problem of the higher education and establish an important reform in this matter. The executive branch will give its opinion on it in an effort to cooperate.

Energy Sector

[Words indistinct] of the petroleum byproducts as the main instrument to increase savings and to conserve energy; to discourage the import of light vehicles which run on diesel because they could not use pure alcohol; to promote energy savings in all its forms; [words indistinct] other sources of nonconventional energy; to balance the country's energy consumption by promoting the replacement of production equipment which use a lot of fuel for others that use hydroelectric energy; [words indistinct] industrial, commercial and transportation projects; to speed up the technical and economic evaluation of electric passenger and freight transport projects for the rural as well as urban sectors.

The Negotiation With the IMF and the Renegotiation of the Country's Foreign Debt

In view of our balance of payments deficit and the foreign debt accumulated in this decade, it is necessary to seek a new [words indistinct] with the IMF that allow us to continue operating without crises [dramatismos] in the national and international economy.

The country must substantially renegotiate the foreign debt, particularly the private debt, in addition to the negotiation with the IMF. A temporary relief from the present pressures would facilitate the prompt success of a local effort to reorganize the productive and social sectors. The balance of trade is a source of real impoverishment in Costa Rica, due to the high prices we pay for imports and the low prices at which we sell our products. We have to try to overcome any difficulties. Our international policy also plays an important role in this.

Since we reached power, we have tried to cut back imports by reducing the amount of money available and by reducing the budget as much as possible. We were able to increase coffee prices through the coffee fund. Its results were acceptable. The coffee price drop due to the collapse of the fund, the reduction of banana exports due to strikes, and the delay in the approval of loans and taxes have led to seeking other ways of expediting the process. We began implementing those means on 25 September and we continue with them today.

Every contingency has been foreseen but we are now ever more weighted down by the rising oil prices and the costs of imports. As I said during my Christmas message, this generation has had to witness a profound change in the history of mankind and of our country. Some see this as an ill-fated time. I see it as an appropriate opportunity to effect the change that will place Costa Rica on the route to real development. No one can remain indifferent or idle at this time.

ECONOMIC MEASURES, FUEL PRICES ANNOUNCED

PA272006 San Jose Domestic Service in Spanish 0250 GMT 27 Dec 80

[Government announcement on fluctuating foreign exchange system, price supports, taxes and surcharges]

[Text] The government of the republic informs Costa Ricans:

1. That, at the request of the Costa Rican Central Bank and pursuant to section B of article 99 of the law on the Central Bank, the council of government has decided to establish a fluctuating exchange system. All payments or revenue collected from imports and exports, the purchasing or selling of goods and services out of the country, the transfer and movement of capital shall be conducted at the current market rate of exchange.

2. That, in order to set the amount of obligated payments due at 8.60 colones per dollar, the Central Bank will request confirmation of the obligations agreed to up to 26 December 1980 in keeping with the regulations dictated by the bank's administration.

3. That the registration of debt documents resulting from the purchase of farming, industrial, construction, freight and passenger transport equipment in foreign exchange payable in Costa Rica shall be allowed until 20 January 1981, if duly registered by 26 December.

4. That the following prices have been set per liter for the following items sold by the Costa Rican oil refinery: gasoline, 7.50 colones; diesel, 4.95 colones; petroleum, 4.95 colones; bunker-C, 2.10 colones.

5. That the subsidy for the public transport service have been readjusted so that the fares in effect in the metropolitan area shall be retained.

6. That the support prices for basic grains shall be adjusted according to the interest rate in effect on the market for the financing of their production. The support prices include all the additional costs derived from the fuel price and the economic policy guidelines issued today.

7. That consumer prices for rice, wheat, beans, white corn, cooking oil and milk shall not be changed on account of the state subsidy.

8. That the selective consumer tax is lowered by eliminating the distinction between items produced in Central America and those produced outside the area.

9. That the temporary surcharges on imports will be lowered and replaced by a uniform, overall scale of 1 percent over all imports, except those that through treaties or laws are exempt from paying the surcharges.

10. That the agreements, decrees and resolutions concerning the decisions contained herein have been published in addendum No 23 to the gazette of 26 December 1980.

GOVERNMENT SIGNS BAUXITE PROTOCOL WITH ROMANIA

PA260455 San Jose LA NACION in Spanish 18 Dec 80 p 80

[Text] The Romanian and Costa Rican Governments signed a protocol yesterday which could become the basis for a future agreement on the exploitation of the bauxite deposits in El General Valley.

The protocol was signed by the Romanian foreign trade first deputy minister, Alexandru Margaritescu, and by the Costa Rican economy and energy ministers, Jose Miguel Alfaro and Fernando Altman, respectively.

The document will serve as the basis for the two governments' economic feasibility studies on the project, so that during the first quarter of 1981 they can decide if they will jointly exploit the bauxite in El General Valley.

The Romanian minister's visit allowed the local officials to analyze the possibility of having the Costa Rican Electricity Institute [ICE] participate in the bauxite exploitation program.

Energy Minister Fernando Altman Ortiz explained that according to the talks held with the Romanian official the exploitation project would cost some $450 million.

Some 60,000 tons of aluminum will be produced yearly in El General Valley during the next 38 years. The production will utilize the proven reserves of 450,000 tons of bauxite in the deposit. [as published]

Altman said that the Romanian Government is willing to provide 30 percent of the capital for the enterprise that will exploit the mineral.

The remaining 70 percent would be provided by Costa Rica, through contributions from decentralized institutions such as the Costa Rican Development Corporation, Inc [CODESA] and the ICE, if statutes allow it.

The Romanians are also willing to grant Costa Rica credits of $200 million for the purchase of machinery and other capital goods.

The credits would be granted for 10 years, with a 2-year grace period, at 8 percent interest.

Minister Altman admitted that the government has some differences with the Romanian position, especially on the project's profits.

The profits would be based on the project's expenses, especially the cost of electric power.

In order to begin the exploitation of bauxite, a large amount of electric power is needed. This is a production aspect that can involve up to 25 percent of the project's cost.

This is why it is believed that electric power would be obtained from a plant to be built by the ICE in Angostura. It would use the waters of the Revantazon River at a location a few kilometers from Turrialba.

The construction of this hydroelectric plant would cost some $350 million.

However, the ICE's participation would not be limited to the building of the hydroelectric plant. It would also participate as a partner in the concern that will exploit the bauxite jointly with the Romanian Government. It is estimated that the new plant will produce some 180 megawatts of electricity and its construction would begin in 1988.

The energy minister explained that the exploitation of bauxite could yield some $70 million a year and it would become an important export item. He added that world markets need some 500,000 tons of aluminum to satisfy the demand and it would be easy for Costa Rica to market this product. The Central American nations also consume some 14,000 tons of aluminum yearly.

The Romanians have also offered to install the facilities for producing alumina and aluminum from Bauxite in Costa Rica.

"During the first quarter of the coming year we shall know if it is feasible to undertake the project. There is a political willingness to begin it but it will depend on the economic feasibility and the increased benefits for the country," Minister Altman said.

## EL SALVADOR

### REAGAN GROUP ACCUSED OF 'INTERFERING,' 'HASTINESS'

PA281732 San Salvador EL MUNDO in Spanish 26 Dec 80 p 7

[Alfredo Parada H. commentary]

[Excerpts] It would seem that U.S. President-elect Ronald Reagan's spokesmen and advisers have not fully realized that times have changed so much that the Rooseveltian policy of the "New Deal" [as published] is and should be regarded as irreversible. In other words, the advisers of the former California governor have not realized that the famous "big stick" policy has been buried and that it is impossible to implement it. But the Republican Party's resounding victory on 4 November has blinded Reagan's people who already feel they have a right to rule by interfering in international affairs that are none of their business. So much so that the Hollywood actor has had to silence them. Reagan's warning, however, has not had the slightest effect, for his spokesmen have held their ground and have not hesitated to dismiss several ambassadors, most notably U.S. Ambassador to El Salvador Robert White.

White has had to defend himself in the New York TIMES from the Republican team's attacks, for his diplomatic influence was undermined by the attacks of those around Reagan. Reagan's nonsense damages both his future government and the Carter regime's relations with his Central American neighbors, particularly in El Salvador. Reagan has no right to interfere in Central American affairs the way he is doing because the effect will be very different from what he expects. Although the rightist sectors approve of Reagan's intervention in Salvadoran affairs, it must be borne in mind that this minority is of very little importance among the citizens as a whole. Therefore, there is no doubt that their hastiness and threats will elicit fears and distrust among those who do not approve of and oppose ultraconservative stands.

The "big stick" policy continues to emerge, and thus Jesse Helms, chairman of the Senate subcommittee on hemispheric affairs, is blinded by passion and shows his severe incapacity when he judges Salvadoran policy in connection with Ambassador White. Despite predictions, I do not think Ronald Reagan's team can make the United States return to the days of the "big stick." Reality will probably make it see that a violent change in Latin American policy is impossible and that a witch hunt similar to the one led by Joseph McCarthy cannot be staged again.

### ARMY SOURCES SAY CHALATENANGO UNDER CONTROL

PA292258 San Salvador Radio Cadena YSKL in Spanish 1756 GMT 29 Dec 80

[Text] The situation in the Chalatenango Department is under strict military control, a source close to the Defense Ministry said this morning.

The source added that in the past 2 days, eight Chalatenango towns were attacked by armed groups which directed their action against the military posts and the civilian defense patrols organized by the army.

These actions by the rebel groups affected the towns of Las Vueltas, San Jose las Flores, Arcatao, Dulce Nombre de Jesus, Santa Mora, Totomico and others, which were subjected to constant attacks. Order, however, has been restored since yesterday, leaving a toll of 25 rebels dead, the sources concluded.

No 'Free Territory'

PA300340 Paris AFP in Spanish 0018 GMT 30 Dec 80

[Text] San Salvador, 29 Dec (AFP)--The Salvadoran Army denied here today that there is a "free territory" in northern Chalatenango Department as several spokesmen for the leftwing groups have stated in San Salvador. For several days persistent rumors have been circulating here of major confrontations in that department where, according to various reports, between 500 and 2,000 guerrillas have occupied several cities.

The army spokesmen noted that the rural area on the Honduran Border "is under armed forces control," except for the "big pockets" or areas without clearly outlined limits which are in dispute between El Salvador and Honduras. A military spokesman said that it seems some guerrilla groups have sought refuge in that area and have claimed that "it is a free territory," which is "ridiculous."

The Armed Forces Press Committee (COPREFA) said here today that "the leftist groups are waging a publicity campaign with what is happening in Chalatenango to win international prestige."

However, other reports insist that the fighting is taking place in several townships in the department. According to the army, "the only thing the leftist groups are doing in the area is to block roads, but there is a big difference between that and occupying land." COPREFA warned national and international reporters "not to be deceived" by what it called "an international publicity campaign."

FMLN COMMUNIQUE URGES ARMY TO JOIN RANKS

PA300018 San Salvador EL INDEPENDIENTE in Spanish 23-24 Dec 80 p 3

[Text] The imposition of Napoleon Duarte and Abdul Gutierrez as "rulers" of El Salvador is "another gross maneuver of the imperialists and the oligarchs," says the Farabundo Marti National Liberation Front [FMLN] in a communique sent to our newspaper. The communique points out that the maneuver shows how desperate to halt the revolutionary progress of our people the "tottering regime" is. Evidence of this is the fact that William Bowdler and William Rogers came to El Salvador to offer advice on how to launch this maneuver.

This maneuver makes it possible for the most criminal elements who are at the service of Yankee and oligarchic interests to remain at the head of the dictatorship and cast aside the hesitant and progressive elements of the army and government.

The FMLN emphasizes that this new maneuver "is taking place during a deep and irreversible crisis which can only be solved when the people reach power and establish the revolutionary democratic government."

Therefore, the FMLN protests, rejects and repudiates this maneuver and calls on all honest and progressive elements of the army to no longer continue staining their hands with the heroic blood of the Salvadoran people, but rather to join the FMLN ranks. On the other hand, the FMLN requests that all peoples and governments of the world who cherish peace, democracy and respect for human rights, isolate the dictatorship and offer their support to the Salvadoran people and its legitimate vanguard: the FMLN and Revolutionary Democratic Front.

The FMLN also invites all of its ranks and the people in general to redouble their fight against the hateful dictatorship and the infamous Yankee and Venezuelan invaders and to be prepared and ready, waiting for the final order for the glorious people's insurrection. Likewise, the FMLN announces to the people that Radio Farabundo Marti is operating on shortwave, on the 41 meter band on 5575 kHz, broadcasting at 0600 and 2100 hours.

FMLN CLAIMS CREDIT FOR KILLING U.S. ADVISER

PA242152 Buenos Aires LATIN in Spanish 1909 GMT 24 Dec 80

[Text] San Salvador, 24 Dec (LATIN)--A leftist guerrilla group today claimed credit for the killing last week of a U.S. adviser to Salvadoran troops. The Farabundo Marti National Liberation Front [FMLN] issued a communique on Wednesday, crediting itself with the assassination of Thomas Bracken, who was from Las Vegas. Bracken, 46, arrived in El Salvador at the beginning of the year. He arrived as a police adviser to the security forces.

A tense calm apparently prevails today in this strife torn capital. [passage indistinct]

FMLN MEMBERS ATTACK MAKEUP OF NEW GOVERNMENT

DRU's Venancio Salvatierra

PA260155 Havana International Service in Spanish 0000 GMT 26 Dec 80

[Interview with Jose Venancio Salvatierra, member of the Unified Revolutionary Directorate [DRU] of the Farabundo Marti National Liberation Front [FMLN] of El Salvador, in Havana; date not given--recorded]

[Excerpt] [Question] Salvatierra, the U.S. news media has been creating the image that changes have taken place in El Salvador to strengthen the civilian presence in the junta. What do you think of the changes that recently took place in the military-Christian Democratic junta?

[Answer] The recent changes do not really represent the positive change they want us to believe. The very persons who are most closely linked with the repression are the ones who have remained. Jose Napoleon Duarte is one of the members of the junta who bears the greatest responsibility for the massacres and for the policy of extermination that is being carried out. The person most responsible for this policy in El Salvador is also remaining as chief of the armed forces, as part of the army and as a member of the junta.

Colonel Majano's withdrawal and the statements he made afterward are evidence of this. Instead of being a positive step intended to end the repressive climate in this country, the new composition of the government junta is, on the contrary, worsening the repressive climate.

Hugo Abreu, Cayetano Carpio

PA261847 Havana International Service in Spanish 1600 GMT 26 Dec 80

[Text] I am convinced that nothing and no one will stop the advance of the heroic and victorious people of Cuba, Hugo Abreu, member of the Unified Revolutionary Directorate [DRU] of the Farabundo Marti National Liberation Front [FMLN] of El Salvador, has said. He was in Havana to attend the Second Congress of the Communist Party of Cuba, which closed recently.

He also explained that the changes in the Salvadoran military-Christian Democratic junta have not changed its policy because it is still reactionary and backward, as well as a loyal ally of the oligarchy and imperialism. In an interview with Radio Havana, Abreu noted that the struggles of the Salvadoran and Guatemalan peoples are another link in the struggle of all of Central America and he urged preventing U.S. intervention in these countries.

Salvador Cayetano Carpio, another member of the DRU of the FMLN, has said his people do not want U.S. intervention but they will not hesitate to fight to last man if such a criminal action takes place.

In an interview with Radio Havana, he explained that U.S. invasion will fuel the peoples' struggle not just in El Salvador but throughout all of Central America which will surely become a new Vietnam. Commander "Marcial" added that Central America's history is unique. The people's victory in Nicaragua marked a new course in the political life of the area. The recent changes in the military-Christian Democratic junta in El Salvador are a new imperialist maneuver to hide the fascist military rule behind the figure of ambitious and reactionary Jose Napoleon Duarte.

## GUATEMALA

### U.S. DOCTOR KIDNAPPED BY BAND OF ARMED MEN

PA271954 Guatemala City Radio Mundial in Spanish 1422 GMT 27 Dec 80

[Distributed by Inter-Central American Radio Organization]

[Text] A naturopath [medico naturista] of U.S. origin was kidnapped on 24 December by some 20 armed men who entered the institute which he directs. This occurred at the Naturista Institute in Santa Lucia, Milpas Altas in Sacatepeques, 38 km southwest of Guatemala City. The victim of the kidnapping was identified as (Long) Cummings, 50, who has been the director of the institute in question for 7 years. Eyewitnesses reported that the kidnappers, who carried machineguns and pistols, arrived at the institute and went directly to the U.S. citizen. They forced him out of the building, got him into a pickup truck and left. The whereabouts of the director and his kidnappers is unknown. This is the second U.S. citizen who has been kidnapped because Clifford Bevens, manager of GINSA, was kidnapped a few days ago.

In the case of the naturopath, the kidnappers left an envelope with the People's Guerrilla Army letterhead on it.

## NICARAGUA

### OFFICIAL NOTES PLANS FOR CONTINUED NONALIGNMENT

PA282353 Managua Radio Sandino in Spanish 1800 GMT 27 Dec 80

[Excerpts] One of Nicaragua's major foreign policy accomplishments and the next year's prospects for that same policy were discussed by Deputy Foreign Minister Jacinto Suarez in a Radio Sandino interview. During a quick analysis of the country's accomplishments this year, he mentioned the renegotiation of the foreign debt as one of the most important accomplishments, due to our proper foreign policy. He also briefly discussed the prospects for 1981, noting that our policy will continue to follow the main nonaligned principles which we have upheld this year. Here is what Deputy Foreign Minister Suarez said:

[Begin recording] [Question] What are our foreign policy prospects for 1981?

[Answer] The overall political guidelines of our revolution will continue to be non-alignment and the defense of our soveriegnty, our independence and our revolution. We think that 1981 will strengthen our international image. It will be an active year internationally because new situations will arise as the revolutionary process advances. We have seen how, for instance, the work of the domestic counterrevolutionaries is having increasing international significance every day. This means that during 1981 great efforts must be made to maintain the same pace, the same image and the same respect that we have maintained since the revolutionary victory. [end recording]

BORGE SUPPORTS MIXED ECONOMY, POLITICAL PLURALISM

PA210431 Managua Radio Sandino in Spanish 0300 GMT 20 Dec 80

[Text] When we talk about mixed economy and political pluralism we are talking seriously, Commander of the Revolution Tomas Borge Martinez has stressed. Explaining the position of the revolutionary government and of the Sandinist National Liberation Front's National Directorate to the members of the Inter-American Human Rights Commission (CIDH) on their relations with the Nicaraguan business sector, Interior Minister Commander Tomas Borge Martinez stressed that when we talk about mixed economy and political pluralism we are talking seriously.

We have come to realize, Commander Borge said, that in order to be revolutionaries and to further a revolution, it is necessary to plant our feet firmly on the ground. Commenting on the stupidity of certain businessmen, whom he termed primitive bourgeoisie, the high-ranking official said: We could seize their enterprises and we would still not lose our power. I am sure of that. But, is this the best way? Is this the most suitable thing for the coexistence of Nicaraguans?

So when those of us in the revolutionary government talk about a mixed economy, we are talking seriously. And when we talk about political pluralism, we are talking seriously. We are not going to violate our principles, but we cannot let them decapitalize enterprises either. We will not allow that because to decapitalize enterprises means to take resources out of the country and to destroy those enterprises. We do not want them to do that. We want to develop private industry, private trade and private agricultural activities. Moreover, we are not interested in nationalizing land. On the contrary, we are interested in increasing private landholding. However, we want to do this basically in the manner of cooperatives.

Borge then said: If there is an agricultural production enterprise, we want to see it developed. We will provide all the necessary help, as we have done in the case of the San Antonio sugar mill, which is a very prosperous private enterprise.

Regarding the cooperative system, Commander Borge indicated that it is a form of private landholding which must be joined voluntarily. The cooperative system is neither strange nor communist as is thought by some primitive elements here, who do not have the slightest idea what a cooperative is. A cooperative is a private thing, he stressed.

As can be appreciated, the revolution's stand on the private sector is clear. Meanwhile, the top private sector leaders, who are fighting over their major interests, are still fumbling around in the dark, trying to maintain the status they had achieved during the Somozist dictatorships.

It must be stressed, however, that within the major bourgeoisie there is an intermediate bourgeoisie. The latter has gradually realized its position, which lies on the side of the majority, on the side of the people. The people are and should be the sector to gain the most from all the revolutionary policies adopted, which they support with great determination.

APPROVED 1981 GOVERNMENT BUDGET HIGHEST EVER

PA241517 Managua Radio Sandino in Spanish 0300 GMT 24 Dec 80

[Text] The bill on the state budget was approved today. The budget approved by the revolutionary government for 1981 amounts to 8.79 billion cordobas. This is the highest amount ever approved by a budget law.

The law provides that all state bodies are dutybound to present to the Finance Ministry through the National Budget General Directorate [Direccion General de Presupuesto del Estado] a budget application plan every 3 months.

It also provides that every ministry and state body must file a report on the result of the budget's application during the first 10 days of each month.

The law adds that all foreign or domestic donations must be channeled through the International Reconstruction Fund, which will transfer the amounts to be disbursed during the fiscal period to the respective Finance Ministry account.

BISHOPS TO DECIDE ROLE OF PRIESTS IN GOVERNMENT

PA270322 Managua International Service in Spanish 0030 GMT 27 Dec 80

[Text] The Nicaraguan Episcopal Conference will resolve with great maturity the case of the four priests who hold high-ranking government posts, Monsignor Obando y Bravo has announced. According to the prelate, the country's bishops must provide guidelines on the status of those priests.

Meanwhile, authorized National Reconstruction Government junta spokesmen have announced that at the end of the year there will be a reorganization of the cabinet, but that it will not affect these priests, who are still needed, because there is a shortage of capable cadres and because the national state of emergency is not over yet.

BULGARIAN PARTY DELEGATION VISITS MANAGUA

PA231559 Managua Radio Sandino in Spanish 0300 GMT 23 Dec 80

[Text] Managua, ANN--The Sandinist National Liberation Front [FSLN] National Directorate tonight gave a reception in honor of the high-level delegation of the Bulgarian Communist Party [BCP] that arrived here today. The delegation is headed by Aleksandur Lilov, member of the Political Bureau and secretary of the BCP Central Committee. It was welcomed at Augusto Cesar Sandino International Airport by Commanders Jaime Wheelock, Bayardo Arce and Henry Ruiz, members of the FSLN National Directorate.

It was announced today that tomorrow the BCP delegation will hold talks with the FSLN Political Committee and the junta of the Government of National Reconstruction. It also will visit production centers of the people's property area to look at aspects of the national economy.

The BCP delegates arrived in Nicaragua after the close of the Second Congress of the Communist Party of Cuba. They will remain here 2 days.

Visit 'Most Satisfactory'

PA241417 Managua Radio Sandino in Spanish 1200 GMT 24 Dec 80

[Text] The visit by the Bulgarian Communist Party delegation to Nicaragua has been described as most satisfactory. The mission, which is scheduled to return to Bulgaria today, has been warmly received by the Nicaraguan revolutionary government authorities.

The group, headed by Aleksandur Lilov, member of the Political Bureau of the Bulgarian Communist Party, has carried out a number of activities in the country, such as interviews with members of the national reconstruction junta, a visit to the tomb of Commander Carlos Fonseca and talks with representatives of the Defense Ministry.

Since the victory of the Nicaraguan revolution, Bulgaria has shown its solidarity with our country through successful cooperation in various fields, including the work of Bulgarian doctors in cooperation with our health authorities in efforts to improve the health of the Nicaraguan people, who in turn have responded with appreciation and affection.

FIDEL CASTRO SPEAKS AT NATIONAL ASSEMBLY SESSION

FL291335 Havana Domestic Service in Spanish 1202 GMT 29 Dec 80

[Text] The resolutions of the Second PCC Congress and the circumstances in which we will have to face the immediate future give this assembly session a special character, Commander in Chief Fidel Castro has declared at the closing of the second ordinary session of the National Assembly of the People's Government. He said that hard work has been done this year, particularly over the past few months. Castro then said: We are facing a truly exceptional period. The change of administrations in the United States means risks for our country, risks of all types, risks of intensification of the blockade, risks of CIA activities, risks of increased hostility and counterrevolutionary activites against Cuba, risks of sabotage and risks of actions we already have experienced, which we must keep well in mind in these new circumstances.

After referring to the risks which the change of government in the United States means for our country, Fidel Castro said this does not mean that we favor seeking confrontations at any cost. Instead, we realistically analyze the risks of the situation and we believe that it is our fundamental duty to prepare ourselves. He added that the change of U.S. domestic policy adds to the convulsive situation in Central America. He referred to the growing revolutionary struggle of the peoples of El Salvador and Guatemala as well as to the growth of the revolutionary struggle in Latin America.

He also cited the complicated situation in the Middle East, the war between Iran and Iraq, the still unresolved hostages problem and the case of the dangerous and explosive situation in Poland, whose final outcome is still impossible to foresee.

In his speech at the National Assembly, Fidel also referred to the serious economic crisis of the capitalist world. He read an AFP report which analyzes the growing economic problems of European capitalist countries and asserts that there is no prospect for these countries to overcome the crisis quickly.

The commander in chief went on to say that even if improvement of the world situation is achieved, including certain arms control agreements, the policy of the new U.S. Government with regard to Latin America will be a very hard one and even openly interventionist, and it will also try to be so with Cuba since they consider this hemisphere to be their private backyard.

The commander in chief continued by saying that we must base ourselves on the reality that U.S. policy toward the revolutionary movements of Latin America will be hardline. And he emphasized: That is why never before and in these circumstances the slogan of production and defense has been of such vital need.

He then referred to the important measures approved by the National Assembly, such as the 1981-85 5-year plan, which we must try to overfulfill. Much better conditions exist to achieve improved management of the economy and services and of everything, and to achieve much greater efficiency, Fidel said.

He added that we will begin to get the fruits for which we have been working during the current 5-year period that is about to end, with the country much better organized and with much more experienced cadres.

We have also estimated, on realistic bases, what our possible income from our exports can be, but the fundamental thing of the certainty of our plans is based on medium-term agreements with the socialist countries, Fidel said elsewhere in his speech at the National Assembly of the People's Government. He explained that we have assured our fuel from now until 1985 and that we must conserve it as much as possible. Let it be known, therefore, that to save fuel over this 5-year period means revenue from other merchandise. [as heard]

He then reported that agreement already has been reached for large quantities of raw materials, intermediate goods, equipment, foodstuffs and other consumer goods.

Elsewhere in his closing speech at this year's second ordinary session of the National Assembly of the People's Government, Fidel added that we will continue to face the difficulties derived from the capitalist area regarding price fluctuations, unequal trade and the rise and fall of sugar prices. However, we fortunately are in a year in which prices are tending to rise. Fidel emphasized that this should not make us feel full of ambitions or that we have to make bigger plans which later will not have a solid foundation. It is better, he said, that we be able to overfulfill and do more than we have agreed upon, but working on solid foundations. He added that this plan will require effort. He cited, as an example, the sugar sector, where the growth objective is very strong. The plan is very strong in that sector, he said.

Commander in Chief Fidel Castro emphasized that we are obliged to make a supreme effort to make the sugar harvest we have planned and to plant 30,000 [as heard] caballerias of sugarcane next spring.

Fidel added that more than half of the 300 180-horsepower (Komatsu) tractors already are here. There has been a slight delay ıt the remainder will be here by February with all their equipment. An extraordinary effort should be made with the machinery, he emphasized, since according to plans a total of 900 million more arrobas of sugarcane will be required in 1982. Among the provinces that must make a greater effort, Fidel identified Camaguey and Villa Clara where a big planting effort will be made. He went on to assert that if these two tasks are fulfilled, we will have overcome the two biggest obstacles of the 5-year period.

In his closing speech at the second ordinary session of the National Assembly of the People's Government, Fidel said our country's commitments for 1982 force us to make this effort with sugar in the first year of the 5-year period, since we already are recovering from the rust diseases.

He immediately added that deliveries to the Soviet Union in 1980 and 1981 are limited to 2.5 million [presumably metric tons per year] which is lower than was expected, however, in 1982 it will be 3 million and we cannot fail. We cannot lower it by a single pound of sugar because it would not be fair or honorable, and we would then have to decrease sales in other markets and in areas of convertible currency.

He asserted that this sugar harvest is going well and in the end it should demonstrate what we can do to improve our work. Fidel went on to say that the effort for this sugar harvest began in the previous one when we were seeking solutions to existing problems in delays of spare parts deliveries to sugar mills, and an effort also was made in sugarcane planting with more than 20,000 caballerias planted. It was the year of fewer losses, he said, because it is important not only to plant but also to plant in such a manner that there is no loss of sugarcane.

Fidel also referred to the weeding and cultivation effort. We began all this effort during the previous harvest. The planting of 30,000 [as heard] caballerias of sugarcane is not enough. Such planting must be done in an optimum manner, and it is also necessary to optimize cultivation, fertilization and weeding, he said. This year's effort, Fidel emphasized, was the best in the history of the revolution.

Fidel emphasized that a greater effort still is required this year in cultivation, fertilization and weeding. This effort, he said, is indispensable. What we can do depends on ending the sugar harvest early, he said.

Elsewhere in his speech at the National Assembly of the People's Government, Fidel added that some sugar mills have had delays because of rains, citing the Guatemala sugar mill which in December had 9.1 inches of rain and it was therefore necessary to order it not to begin operations. Meanwhile, the Urbano Noris sugar mill, which had gone through 24 days grinding more than 1 million [arrobas of sugarcane], had to decrease this rate as a result of the rains. He added that for this reason, all of Holguin Province is grinding at 20 or 23 percent of its capacity. He expressed confidence that the province will recover.

In his speech at the closing of the second ordinary session of the National Assembly of the People's Government, Fidel emphasized that we must maintain the purpose of essentially ending the sugar harvest on 30 April, with the only exception of sugar mills which have had to delay their work because they are located in areas where it rains less in May than in December.

Fidel was of the opinion that the response being observed proves not only that we can do more and better things but also the enthusiasm of our workers and our people. Fidel added that although it is true that we will be facing a period full of risks in the external area and a big effort in the economy and services, the revolution never before has been as it is today, has never had the strength it has today and that never before has the enthusiasm been as it is today.

Fidel noted that the Second PCC Congress has had a deep impact on our people and that the fruits of our work over the past 5 years have been impressive. After referring to certain indicators of the levels attained in production and services, among which he noted the fact that we already have one doctor per 600 inhabitants, our commander in chief stated that the congress also had an impact on the 150 organizations that joined with us at this historic event. In their presence here, Fidel said, we began to mobilize world public opinion and to caution about the risks for our country and the overall situation. We are confronting imperialism.

Fidel also emphasized that the party congress served to raise the spirit of progressive and revolutionary forces which were somewhat discouraged. After noting that some organizations which attended the congress maintained certain opinions in contradiction with some of our positions, [he said that] they had to feel deep respect for our revolution, party and people when they witnessed the mass rally which marked the closing of the congress. Fidel went on to say that all of them had to admit that the entire people are behind our party, that there is an indestructible link between the party and the masses and that the revolution has extraordinary strength. Our commander in chief emphasized that the strength of the masses represents the first trench in the defense of the revolution and of the country against possible imperialist aggression.

In his speech at the closing of the second ordinary session of the National Assembly of the People's Government, our Commander in Chief Fidel Castro noted that the people's response to the territorial militia has been extraordinary. He also said that we must raise our guard and that vigilance must be increased because acts of aggression could come not only with the use of arms and a naval blockade but also through the introduction of diseases and plagues in our livestock and plants, sabotage of the economy and renewal of attempts on the life of our leaders.

Regarding counterrevolutionary activities, Fidel said we must adopt a very hard line and we must crush the slightest indication of counterrevolution.

Fidel explained that we are facing the current international situation by the beginning of mobilization of world public opinion and with close ties with revolutionary and progressive forces which see in Cuba a bastion of the revolution.

Our commander in chief emphasized that on this difficult time which may come, we have strengthened our relations with the socialist camp and USSR, saying this is very important because we live on different continents and in different circumstances, and it is quite encouraging that they understand our positions and support us.

Fidel then emphasized that we not only should strengthen ourselves by creating the territorial militia and by reinforcing our defenses, but that we must also strengthen ourselves by improving our work. Referring to the need that we strengthen ourselves in every respect, Commander in Chief Fidel Castro explained that we must strengthen ourselves by improving our work in economic activity, services, schools, hospitals, buses, restaurants and hotels. We have the opportunity to strengthen the revolution by improving our work every place where a service is rendered, Fidel said. He added that this is achieved in the economic field by fulfilling the goals we have set for ourselves, by grinding the last sugarcane in our plans and by optimizing sugar production. Our commander in chief stressed that in this way we also will be strengthening the defense of the revolution because we will be making ourselves stronger in every respect.

Our commander in chief said at the closing of the second ordinary session of the National Assembly of the People's Government that optimum conditions have been created to fulfill the slogan of production and defense. Fidel immediately added: I believe we have a minimum moral and elemental duty. It is to ask ourselves what else each of us can do wherever we may be, to commit ourselves to double our efforts and to be more thorough, more responsible, more serious, more devoted, more sacrificed, more devoted to our cause, our revolution and our people, more demanding and more exemplary in every sense.

FOREIGN DELEGATES ADDRESS SECOND PCC CONGRESS

Vietnam's Tran Quoc Hoan

FL291929 Havana Domestic Television Service in Spanish 1400 GMT 19 Dec 80

[Speech by Tran Quoc Hoan, member of Vietnam's Communist Party Politburo and Secretariat, during 18 December afternoon session of Second Congress of the Communist Party of Cuba [PCC] at Havana's Palace of Conventions--recorded in Vietnamese with simultaneous Spanish translation]

[Text] Dear Comrade Fidel Castro, comrades of the presidium, international friends and delegates, dear comrade delegates to the congress, friends: The delegation of Vietnam's Communist Party is honored to attend the Second Congress of the PCC, the excellent guide and organizer of all victories of the Cuban working class and heroic people. On behalf of Vietnam's Communist Party Central Committee, [applause] communists, working class and the people, we wish to convey to you, the best representatives of the Communist Party of Cuba, the communists, the working class and all the fraternal Cuban people our deepfelt feelings and warmest congratulations. [applause]

Dear comrades and friends, during the past 21 years under the leadership of Cuba's glorious Communist Party headed by the beloved leader of all Cubans, Comrade Fidel Castro, and with the valuable, great and mutlifaceted aid of the Soviet Union and the active support of the rest of the fraternal socialist countries, the generous, hard-working and creative Cuban people have overcome all difficulties, frustrated all maneuvers, threats and acts of provocations, sabotage, blockade and aggression of the warmongering U.S. forces and their lackeys. At the same time they have achieved great successes in socialist building, economic development, education, public health and culture, guiding Cuba out of a status of a neocolonial country on the path of socialism carrying out profound reforms never seen before in the history of Cuba and Latin America.

The great successes achieved in recent years are eloquent proof of the creative force of the Communist Party of Cuba and all Cubans as well as of the superiority of socialism. With noble proletarian internationalism Cuba has given its fervorous support and aid to the revolutions in many countries in Asia, Africa and Latin America.

With its various activities in world forums, especially in the nonaligned countries movement of which it is the chairman, Cuba has made active and efficient contributions to the world's revolutionary forces, against colonialism, imperialism, neocolonialism, Beijing's expansionism, Zionism, apartheid and for the noble objectives of our time, namely peace, national independence, democracy and socialism. [applause]

Comrade Le Duan, secretary general of Vietnam's Communist Party, stated at the welcoming ceremony for the delegation of Cuba's Communist Party and government held in Hanoi in September 1973: Cuba builds and fights excellently. Cuba raises the flag of socialism high and with determination. Cuba is the beacon shining over the path for the liberation of the peoples in Latin America, Asia and Africa. Cuba is worthy of the admiration, trust and love of all the peoples in the world. [applause]

For certain, the directives noted in the main report of Cuba's Communist Party central committee read by Comrade Fidel and the resolutions approved by the Second Congress of the Communist Party of Cuba will contribute to move forward socialist building in Cuba and will make it possible for still greater victories. We are profoundly convinced that Cuba and socialism in the western hemisphere will defeat all maneuvers and acts of provocation and sabotage of U.S. imperialism, and that the Cubans will defend the socialist fatherland with determination.

Vietnam's Communist Party, the working class and the people consider the victories of the Cuban revolution to be their own. From the bottom of our hearts we wish to express our immense happiness for the great gains that the Cuban working class and people have attained and will continue to attain under the leadership of Cuba's Communist Party headed by Comrade Fidel Castro. Vietnam has always been and will continue to be on the side of the fraternal Cuban people in all circumstances. [applause]

Comrades and friends, after 30 years of a devastating war the desire of the Vietnamese people is to live in peace and friendship with all peoples in order to rebuild the country in accordance withthe resolutions of the Fourth Congress of Vietnam's Communist Party, and to contribute to the national cause of the world's nations. However, by practicing their expansionist and hegemonist attempts of great nation, Beijing's reactionary gang and the governing circles have connived with Yankee imperialism and other reactionary forces to conduct a hostile policy against Vietnam. Despite the disastrous failure in the war of aggression against Vietnam in February 1979, the reactionary gang and the governing circles of Beijing have not yet given up their sinister maneuvers and are threatening with a new aggression against Vietnam, attempting to intervene in the internal affairs of the People's Republic of Kampuchea and of the People's Republic of Laos.

The Vietnamese people wish to maintain lasting ties of friendship with the Chinese people but, if Beijing's expansionism dares to attack Vietnam once again, they will be dealt the most humilliating defeat. [applause] Doubtlessly, Vietnam will continue to advance and will complete building socialism successfully.

Dear comrades and friends, the current world correlation of forces has experienced great changes in favor of peace, national independence, democracy and socialism. Due to its position of weakness and total and profound disintegration and in an effort to recover the lost position, imperialism has intensified and feverishly intensifies its criminal plot with China's expansionism and great-nation hegemonism and with other reactionary superpowers. Imperialism accelerates the arms race and attempts to return to the era of the cold war in an effort to sabotage the revolutionary cause of the peoples and world peace.

It is evident that today's struggle against imperialism, the main enemy of world revolution, cannot be separated from the struggle against China's great-nation hegemonism.

Beijing's governing circle's betrayal of the revolutionary cause of the Chinese and other peoples is the most repugnant act in the history of the world revolutionary movement. The current international situation requires the forces of socialism, national independence, democracy and peace and international communist and workers movements to unite still more closely and to intensify vigilance and to struggle restlessly to overcome the adventurous policies of the warmongering rightwing forces of imperialism, expansionism and Beijing's hegemonism and other international reactionary forces in order to preserve detente and defend world peace. Within that historic context, we fully support the important peace initiatives of the Soviet Union and other socialist countries of the Warsaw Pact. We warmly hail the historic victories of the peoples of Nicaragua and Grenada and offer our full support to the cause of national reconstruction and defense of those two heroic peoples. [applause]

We wish to reaffirm our combative solidarity with the just struggle of the heroic people of El Salvador against that country's (?fascists) and energetically condemn all policies aimed at intervention in El Salvador by Yankee imperialism and the reactionary forces. [applause] We wish to express our resolute support for the revolutionary struggle of the peoples of Guatemala, Honduras, Chile, Uruguay, Paraguay, Bolivia, Haiti and so forth against the dictatorial regimes governing in those countries. We support the just cause of the Panamanian people for the total recovery of their sovereignty over the Canal Zone and demand that the United States strictly fulfill the new canal treaties signed with Panama.

We support the struggle for self-determination and independence of the peoples of Puerto Rico and Belize against all political maneuvers and interventionist attempts by the United States and other reactionary superpowers. We support the struggle of other peoples of Latin America and the Caribbean for the defense of national sovereignty, for the recovery of natural resources, against the looting and exploitation of transnational corporations, Yankee imperialism and other reactionary superpowers.

We resolutely support the struggle of the peoples of Asia, Africa and Latin America and other members of the nonaligned movement for a true political independence, for a new international economic order, against imperialism, colonialism, neocolonialism, Zionism, apartheid and international reactionary circles. We fully support the struggle for the right to life and democratic freedoms of the working class and peoples in capitalist countries, and against warmongering policies, arms race, oppression and repression by the governing circles in those countries. We are fully convinced that peace, national independence, democracy and socialism will win.

Dear comrades and friends, Vietnam and Cuba, even though separated from each other halfway around earth, are sentimentally very close and united in the struggle against [word indistinct] and imperialists. They are brothers fighting in the same battle trench. Both in the past anti-Yankee struggle for national salvation and in building socialism and defending the fatherland, the Vietnamese people have always had the firm solidarity, support and valuable aid of the fraternal Cuban party, government and people.

The heartfelt statement made by Comrade Fidel Castro--for Vietnam we are even willing to give our own blood, and Cuba is ready to give its sweat to rebuild a Vietnam 10 times more beautiful-- [applause] has been a great encouragement to our people in their historic struggle.

On behalf of Vietnam's party, government and people, we wish to express our sincere gratitude to Cuba's Communist Party, government and people for their valuable assistance in Vietnam's revolutionary cause. Vietnam's Communist Party, government and people are determined to make the relations between our parties and peoples eternally beautiful and unbreakable.

We wish great successes to The Second Congress of the Communist Party of Cuba. Long live the combative solidarity between Vietnam and Cuba! Long live the invincible Marxism-Leninism and proletarian internationalism! [shouts of "viva"] Long live the Communist Party of Cuba! [shouts of "viva"] Long live Cuba! Long live Fidel! [shouts of "viva" and prolonged applause]

Yugoslavia's Milos Minic

FL291607 Havana Domestic Television Service in Spanish 1400 GMT 19 Dec 80

[Speech by Milos Minic, member of the Presidium of the League of Communists of Yugoslavia [LCY] Central Committee, during the 18 December afternoon session of the Second [PCC] Congress at Havana's Palace of Conventions, in Serbo-Croatian with consecutive Spanish translation--recorded]

[Text] Comrade Fidel Castro, first secretary of the PCC Central Committee; Comrade chairman, comrades: On behalf of the LCY and all workers, peoples and nationalities of the Socialist Federal Republic of Yugoslavia, we convey the most cordial fraternal greetings to the deelgates to the Second PCC Congress and all communists and workers of Cuba, and our best wishes for a successful and fruitful work of the congress.

The LCY and workers of our country are sincerely happy over the great successes which you have achieved and are continuing to achieve in the building of socialism and in the safeguarding of the independence and sovereignty of your country under the leadership of the Communist Party headed by Comrade Fidel Castro, [applause] under very complex international conditions and despite the blockade which ought to be lifted without delay.

We can confirm with satisfaction that cooperation between the LCY and PCC and between the SFRY and the Republic of Cuba, whose lasting bases were established by President Tito and President Castro, is developing successfully. [applause] The LCY and SFRY will continue to make efforts towards the continued multifarious development of relations and cooperation between our parties and our two socialist and nonaligned countries on the principles of equal rights, independence, autonomy, noninterference, mutual respect and understanding. We believe that important possiblities exist for future development of multifarious relations of friendship in both the political and economic areas, which is in the interest of the peoples of both countries and in the interests of peace, social progress and socialism in the world.

Comrades, current international relations are characterized by increasingly greater international tension, sharper relations between the big powers and blocs, numerous crises and still unsolved international economic and political problems. There are more frequent instances of pressure and interference in the internal affairs of sovereign countries, particularly nonaligned countries, as well as the use of force, local wars and military interventions.

The economic poisition of the developing countries continues to deteriorate. The arms race has entered a new and higher phase, which deprives the world of enormous resources that are indispensable for development, particularly in developing countries. In recent years, problems of supplies of energy and raw materials have been worsening. For now, there are no signs or prospects that the world economic crisis will be overcome soon. All this leads to a further sharpening of the international situation and threatens new unforeseen turmoils and conflicts.

In view of all this, the most active possible involvement of all countries as well as of progressive, peaceful and democratic forces in the world, is highly important for the revival of the process of universal relaxation of international tension which needs to encompass all countries and regions and all areas of international relations. An indispensable condition for equitable cooperation among all countries, regardless of differences or similarities in social systems, to strengthen world peace and security and for the peaceful resolution of disputes and conflicts, is strict respect for every country's independence, sovereignty and territorial integrity as well as for its right to an autonomous path in its own social development.

This requires consistent opposition to imperialism, colonialism, neocolonialism, racism, apartheid, hegemony and all other forms of subjugation, policy of force, intervention and interference in the internal affairs of others. In the international arena, this struggle is expressed most completely and deeply by the nonalignment policy which also is the foreign political orientation of our two socialist countries.

As an independent and nonbloc factor in the world, the nonaligned movement is increasingly involved in the struggle to solve acute and long-term international problems and to carry out the original principles and aims of nonalignment policy for more just international relations and for a new international economic order.

We note with satisfaction that the nations of Latin America and the Caribbean, to which friendly Cuba also belongs, are increasingly turning towards the movement and policy of nonalignment in which they find strong support in their struggles for full national political and economic emancipation and free economic and social development.

The policy and movement of nonalignment are on the main lines of social progress in the world which also was manifested at the sixth summit conference of nonaligned countries held here in Havana last year.

In the future the LCY and SFRY will continue to contribute consistently to strengthening the capability of action and unity of the nonaligned movement based on its original principles, and thereby strengthening its overall role and influence in the international community.

Comrades, positive trends are strengthening in the communist, labor and other progressive movements. Progress is being made in the struggle for progressive and democratic social transformations and for socialism, which has become a world process in the full sense of the word.

In an ever-increasing number of countries in the world, various paths of socialist development are emerging and developing in accordance with the historical, national and other characteristics of each country. This confirms in practice that the various paths in the struggle for socialism and the building of socialist social relations represent one of the basic laws in the development of society. Respect for this historical reality permits and requires cooperation and solidarity among all communist, socialist and other progressive parties and movements, along with consistent respect for the principles of equality, self-determination, independence, noninterference in internal affairs, respect for mutual differences and responsibility towards one's own working class and people. Such cooperation speeds up and helps democratic and progressive social transformations and general progress in both individual countries and the world in general.

Based on its principled orientations and true to its revolutionary traditions, the LCY will, as it has done up to now, offer consistent support and help to all liberation and progressive movements and all democratic forces.

Comrades, the nations and nationalities of the SFRY, led by the working class and its vanguard, the LCY, have achieved great results in the 35 years of socialist development, both in the area of material and cultural development and in the standard of living of the working class and of all workers, as well as in the area of socialist social relations and in consolidating the country's independence, sovereignty and territorial integrity. Our society is developing rapidly and comprehensively. Our working class and workers decide directly on the conditions, resources and results of their work in the conditions of the system of socialist self-management which we have been developing and building successfully for three full decades.

This year we lost Comrade Tito, the leader of our national liberation struggle and socialist revolution and one of the founders of the policy and movement of nonalignment. This is an irreplaceable loss for the working class, nations and nationalities of our country.

We are resolutely continuing comrade Tito's revolutionary work, consistently carrying out his policy of development of the self-managed socialist society and socialist Yugoslavia's policy of independence and nonalignment.

These are the lasting orientations of the working class, all workers, nations and nationalities of Yugoslavia, who see in this the guarantee of their prosperity and independence and the realization of their live's revolutionary ideals and aims.

Comrades, in conclusion, permit me once again on behalf of the LCY to convey to you best wishes for the complete success of the congress of your communist party and the well-being of your people, as well as for peace and progress in the world. Thank you very much. [applause]

## South Africia's Alfred Nzo

FL292207 Havana Domestic Television Service in Spanish 1400 GMT 19 Dec 80

[Speech by Alfred Nzo, head of the delegation of the African National Congress of South Africa, during the 18 December afternoon session of the Second PCC Congress at Havana's Palace of Conventions--recorded in English fading into Spanish translation]

[Excerpts] Comrade Fidel Castro, dear comrades: The delegation of the African National Congress of South Africa, on behalf of the national executive committee and all members of our organization, conveys revolutionary greetings to the Second Congress of the Communist Party of Cuba and, through this congress, to the entire Cuban people. It is our conviction that this historic event, the second congress of the revolutionary vanguard of the Cuban society, will unite still closer the ranks of the Communist Party, the working class and the entire Cuban people for the victory of socialism and communism in your country, for the consolidation and strengthening of the international forces which safeguard the peace and security of the peoples, for national liberation and social progress under the leadership of the outstanding revolutionary Comrade Fidel Castro and the Communist Party.

Comrades, the second congress of your party is taking place at a time when international imperialism led by the United States is desperately attempting to alter in its favor the international correlation of forces. It is common knowledge that in the past few years the international political climate has been seriously disturbed. Under U.S. leadership the aggressive NATO alliance has not only decided to intensify the arms race but on several occasions has issued bellicose statements and threats directed at what it has always referred to as the need to offset the so-called Soviet aggression and expansionism.

However, comrades, the growing strength and influence of the international progressive movement is convincing proof that imperialism's attempt to alter the world strategic balance in its favor is useless. On the contrary, the resurrection of the cold war policy by the leaders of this aggressive system has convinced world public opinion that there is no other sensible alternative but international detente and peaceful exchange between peoples. This is the clear message of the world parliament of peoples for peace recently held in Sofia, Bulgaria. On the other hand, the surging movement of the peoples everywhere against imperialist aggression and oppression is gaining momentum.

In our country the revolutionary black working class, the youth, the women, the rural masses, all sectors of the oppressed population are today confronting the regime of terror as never before. The militants of our brave people's army are intensifying their attacks against the enemy. Faced with this situation, the racist regime has been forced to resort to maneuvers aimed at presenting to the oppressed people a program of false reforms. This has been overwhelmingly rejected because our people are facing instead (?an intense aggression) directed at perpetuating the reactionary white minority government at the service of national and international monopolies. [applause]

Our people are convinced that only on the basis of our revolutionary program, the Freedom Charter, can South Africa undertake the road of a real people's democratic government. Comrades, the socialist Republic of Cuba, the Soviet Union, the German Democratic Republic and other socialist countries have earned themselves the warm embrace of the peoples of Africa as sincere and consistent allies in the struggle to defeat the last vestiges of colonial aggression in our continent and in defense of the so arduously attained independence.

Revolutionary Africa particularly values the contribution made by the Cuban internationalist combatants who shed their blood in defense of Africa's freedom, for national liberation and social progress. No amount of political and ideological subterfuge, intrigue and blackmail will hide this reality. The attention of our entire people is therefore focused on the deliberations of the Second Congress of the Communist Party of Cuba. We have no doubts that these deliberations will be crowned with success.

Long live the solidarity and fraternal friendship between the combative people of South Africa and the heroic people of Cuba! [shouts of "viva"] Growing strength to the friendly relations binding the African National Congress and the Communist Party of Cuba! Long live proletarian internationalism! [shouts of "viva" and applause]

France's Maxime Gremetz

FL200029 Havana Domestic Television Service in Spanish 1400 GMT 19 Dec 80

[Speech by French Communist Party Politburo member Maxime Gremetz during 18 December afternoon session of the Second PCC Congress at Havana's Palace of Conventions--recorded in French fading into Spanish translation]

[Excerpts] Dear Comrade Fidel Castro Ruz, first secretary of the Communist Party of Cuba, dear comrades of the Politburo and Central Committee, dear comrade delegates and guests to the Second Congress of the Communist Party of Cuba: First, allow me to convey to you the warmest and most fraternal greetings of our secretary general, Georges Marchais. [applause] I wish to reaffirm the friendship and solidarity of all French communists, of our country's workers.

Imperialism, and in the first place U.S. imperialism, does not forgive Cuba that it is the symbol of a nation which wants to live in freedom and dignity not only here in Latin america but also in the Third World and in developed countries. Yesterday trampled, looted and colonized by the United States, Cuba today has recovered its independence. Despite the aggressions, the blockage still in force, Cuba, during a very brief historic period of time which represents the 22 years of its revolution, has obtained spectacular successes in building its socialist society, guaranteeing progress, justice and democracy to its people and youth.

What really provokes imperialism's ire is that Cuba today is a respected nation which enjoys great international prestige, the success of the sixth nonaligned countries summit conference held right here in Cuba. It cannot bear Cuba's election to the chairmanship of the nonaligned countries and the relevant role it is playing to proclaim loud and clear the demands of developing countries.

Dear comrades, in France the communists are involved in great struggles in defense of the interests and gains of the workers to lead our country out of the profound crisis in which it has been plunged by the domination of the great capital. With the 22d and 23d congresses we have opened up for our people the way toward a socialism with France's colors in a democratic way. Within this perspective we struggle without rest in favor of a lasting and just [word indistinct] capable of resisting the increasingly harder and more acute struggle of the classes in our country. To promote a true change we propose with vigor and clarify the key issue, a French Communist Party still more powerful and influential.

The aggressiveness being displayed by imperialism, which could threaten peace and the movement of economic, social and human emancipation of the peoples, cannot hide the fundamental fact of our time. The world is changing and moving in the right direction. It is a world in which the socialist countries are becoming stronger. From Nicaragua to Angola, from Grenada to El Salvador, from Zimbabwe to Palestine, the peoples are liberating themselves or are advancing on the path toward liberation. It is a capitalist world in crisis in which the people of France and others develop and struggle (?heroically), demanding the need for fundamental reforms. With all these peoples and with which all I would like to mention here who are struggling in diverse forms and under different conditions in Africa, Asia and Latin America, in capitalist countries and with those who building socialism, the French communists feel great solidarity and respect for the sovereignty of each of them.

Dear comrades, the history of our common struggles gave birth to the solidarity and friendship between Cuban and French communists. It is our yearning and desire that this friendship and cooperation may continue to be increasingly stronger. The friendship and cooperation between our two peoples and countries benefits their interests. We will not cease to move in this direction.

To your second congress, to all the delegates, to the Communist Party of Cuba and its first secretary, Fidel Castro, we wish the greatest success. Long live the Second Congress of the Communist Party of Cuba! Long live the friendship between the French and Cuban communists! [shouts of "viva" and prolonged applause]

Algeria's Abdelmadjid Mehri

FL300215 Havana Domestic Television Service in Spanish 1843 GMT 10 Dec 80

[Speech by Abdelmadjid Mehri, member of the Algerian National Liberation Front Central Committee, during 19 December morning session of the Second PCC Congress at Havana's Palace of Conventions--recorded in Arabic fading into Spanish translation]

[Excerpts] Comrade Fidel Castro, comrades of the presidium, comrade delegates, comrade guests: First of all, on behalf of President Chadli Bendjedid, [applause] secretary general of the Algerian National Liberation Front, and on behalf of the Central Committee and our party's militants I wish to express our most profound gratitude for inviting us to the sessions of the second congress of your party. Loyal to the traditions of friendship and militant solidarity uniting our two revolutions, we come here bearing the warmest and most fraternal greetings of the Algerian revolution's vanguard.

United to the Cuban revolution in the common battle against imperialism, sharing the same ideals of social progress, peace and freedom, we wish to express the happiness we feel for the successes attained by the Cuban people during the 5-year period that is ending. we value very highly the efforts and battles waged by the Cuban people under the leadership of the Communist Party of Cuba.

Comrades, relations between our two parties are constantly developing for the mutual benefit of our two countries. The cooperation protocol between our two parties and mass organizations signed in April of this year demonstrates our political will of strengthening still more our historic relations of friendship and militant solidarity. Our two countries have chosen their own ways, each adapted to the respective historic conditions, but we share the will of building in our respective countries a socialist society free of all forms of exploitation and oppression. In the daily combat against imperialism our two revolutions have always joined their efforts for the emancipation of the peoples and the establishment of a new international economic order.

In the midst of the nonaligned countries movement, of which Cuba is the chairman since the holding of the sixth summit conference, we have always acted jointly to strengthen unity and cohesion.

The Algerian National Liberation Front supports the efforts made by Comrade Fidel Castro to find a solution to the lamentable conflicts involving members of the nonaligned countries movement.

Comrades, I would like to take this opportunity to express our satisfaction over the great victories attained by the liberation movements of Africa, Asia and Latin America and reiterate our support for those which, as the Western Saharan and Palestinian peoples, continue to struggle to free themselves from the yoke of imperialism, colonialism and Zionism. I would also like to reaffirm the support of the national liberation front for the legitimate demands of the Cuban people concerning an end to the economic blockade and respect for their national sovereignty and territorial integrity. [applause]

In closing, dear comrades, allow me to express my wishes for the total success of your efforts and for the fulfillment of the objectives which this grand assembly meeting of militants will agree to for the next 5-year period. We are sure they will strengthen the gains of the Cuban revolution.

Long live the Cuban revolution! [shouts of "viva"] Long live the Second Congress of the Communist Party of Cuba! [shouts of "viva"] Long live the Algerian-Cuban friendship! [shouts of "viva" and applause]

Western Saharan Delegate

FL241436 Havana Domestic Television Service in Spanish 1843 GMT 19 Dec 80

[Speech by Ali Mahmoud, education minister of the Saharan Democratic Arab Republic [SDAR] and head of the Polisario Front delegation to the Second PCC Congress during the congress' 19 December morning session at Havana's Palace of Conventions; in Spanish--recorded]

[Excerpts] Comrade Fidel Castro, comrade delegates, in the name of the Saharan people and their revolutionary vanguard: The Polisario Front, and its top leader, Mohamed Abdul 'Aziz, [applause] the leadership of our organization and our government has entrusted us with the great honor of conveying warm congratulations, fervent solidarity and sincerest wishes of success to this historic event, the second congress of the PCC. [applause]

The presence of a Saharan delegation in this important event demonstrates once more the indestructible ties of friendship, solidarity and unconditional support that bind the people of the SDAR, their government and their vanguard, the Polisario Front, and the heroic Cuban people, their revolutiolnary government and their glorious Communist Party under the leadership of Comrade Fidel Castro, the great friend of our people. [applause]

Comrades, the message from our struggling people commands that we briefly report to this illustrious assembly on the developments of the war confronting us with the reactionary Moroccan regime which occupies part of our beloved fatherland. This unjust war imposed on our people is undergoing a decisive phase at present. Under the Houari Boumedienne military offensive nobly waged by our courageous Saharan People's Liberation Army, the Moroccan troops are suffering overwhelming defeats both in the small area of our national territory they occupy and in the fortifications deep in their own territory. We have forced the enemy into a defensive position and we have cut off their forces from their home bases. We have imposed respect for our territorial waters. Our people are forging--with the blood spilled in their struggle for national liberation--the state institutions of the SDAR.

The broad international support that our just cause enjoys inevitably leads to the failure, isolation and discredit of the expansionist policies of the reactionary Moroccan regime.

The successive recognition of the SDAR, the important resolution adopted by the United Nations by an overwhelming majority ratifying our people's right to independence and the legitimacy of our struggle and urging the Moroccan regime to hold direct negotiations with the Polisario Front are all evidence of this. The frequent and pertinent UN resolutions that support the just struggle of our people and demand the restoration of their rights to freedom and independence, and the historic resolution adopted at the sixth summit of the nonaligned countries held in Havana a year ago, contributed considerably to the isolation of the reactionary policies of the Moroccan regime in its invasion of our nation.

We have often appealed to the Moroccan regime to enter into direct negotiations with the SDAR Government for a peaceful, just and lasting solution to the conflict in keeping with the resolutions at international forums. But the Moroccan king, disdaining the international community, stubbornly continues his actions against our people. Our people have no other alternative than to intensify our armed struggle until our territory is completely independent. [applause]

Long live the Second Congress of the PCC. [shouts of "viva"] Long live the solidarity between the Cuban and Saharan peoples. [shouts of "viva"; applause]

FIDEL CASTRO DECORATES SOVIET COSMONAUTS

FL291722 Havana Domestic Service in Spanish 1700 GMT 29 Dec 80

[Text] Commander in Chief Fidel Castro, first secretary of the party and president of the Councils of State and Ministers, has decorated in Havana Soviet cosmonauts Leonid Popov and Valeriy Ryumin with the title of hero of the republic of Cuba and the Playa Giron order. At a solemn ceremony held at the Palace of the Revolution, Fidel embraced the heroic cosmonauts who remained 185 days in space performing the longest space mission carried out by man.

Army Gen Raul Castro, second secretary of the party; other members of the party Politburo and representatives of mass organizations were present at the ceremony, along with Lt Gen Vladimir Shatalov, president of the Soviet-Cuban Friendship Society; Vitaliy Vortnikov, USSR Ambassador to Cuba, and other guests.

Speaking at the ceremony, party Politburo member Juan Almeida said these decorations were testimony of the indestructible friendship between the two peoples. He recalled that the Playa Giron order was first awarded almost 20 years ago to a Soviet citizen, Yuriy Gagarin, the pioneer in the conquest of space.

Almeida said that interpreting the feeling of the people, the leadership of the Cuban party and state decided to express its highest recognition of the participants in the scientific feat, which was conducted for the benefit of peace, friendship and mutual cooperation.

GOVERNMENT, SWITZERLAND SIGN TRADE PROTOCOL

FL292005 Havana Domestic Television Service in Spanish 1800 GMT 29 Dec 80

[Text] A protocol extending the trade agreement between the Governments of Cuba and Switzerland was signed today in Havana City by Isidoro Malmierca, member of the PCC Central Committee and foreign minister, and Armin Kamer, ambassador extraordinary and plenipotentiary of that country to Cuba. This is the 23rd time that the 30 March 1954 trade agreement is extended. This agreement regulates trade between the two countries. Present at the signing ceremony were Vice Foreign Ministers Pelegrin Torras and Jose Fernandez Cossio and Vice Foreign Trade Minister Amadeo Blanco for the Cuban side, and Mr (Bead Junker), Swiss Embassy attache.